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CANADIAN MILLS SHOULD OFFER AT ATTRACTIVE PRICE

Amendment to "Buy in Canada" Slogan Proposed by F. P. Jones

CEMENT DISAPPOINTS

Earnings of Company for 1920 Will Fall Below Those of 1919—Outlook for 1921

By Resident Representative.

MONTREAL.—The address of the general manager of Canada Cement Company, Frank P. Jones, at the annual meeting, which will take place early in February this year, is likely to cover rather broader lines than that of the average active head of an industrial company. In speaking to THE FINANCIAL POST this week Mr. Jones said he had arrived very firmly at the conclusion that the time had come when Canadian manufacturers should set before them the motto, "Produce at a price and a quality that will enable Canadians to buy in Canada." He suggests this as a successor to the phrase "Buy in Canada," which has been employed for some time past.

He gave credit to Sir John Willison as president of the Canadian Reconstruction Association and other active members for the service they had performed in drawing the attention of Canadians to the advantage to this country if they would buy all the goods they could in Canada. The time had come, however, he believed, when this argument alone would not be as effective as it was. He believes that the Canadian manufacturer should consider seriously the future price of the goods he offers to the public, for he feels that the public no longer will accept merchandise which does not appear to represent the best value in the market. There will be no buying for the sake of buying as there has been in the past. Nor does Mr. Jones believe in a theory that is heard frequently these days, that when buyers come into the market in the early spring prices are sure to go up again and that there will be a period of a rise in prices for months afterwards. He holds to the theory that prices must come down in every commodity in the market and those that first went up must come down first, and those that went up most will come down most.

Lower Earnings for Canada Cement

That the past year will be a disappointing one to the shareholders of Canada Cement Company, so far as earnings are concerned, is now certain. While in the first part of the year production ran somewhat ahead of the year 1919, the impossibility of getting supplies of coal for the various plants later on forced several of them to shut down for lengthy periods and brought the production for 1920 considerably below that of 1919. Costs also ran very high with the result that the net profits will fall below those of the year 1919.

Business for 1921

It is hoped, however, that this past year will mark the low point in the earnings of the Canada Cement Company for many years to come. At the present time, of course, no one can estimate the business that will come to the company for the year 1921 as so much will depend upon the cost of other building material and the cost of labor. For it is generally recognized by those in close touch with the company that unless labor and all building material show a very marked decline building operations will remain much the same in 1921 as they were in 1920. Very few need to build and they will not build unless prices show themselves as following out the general decline in other commodities.

Coal Up 540 Per Cent.

Speaking of the conditions under which the company was forced to operate during the past year, Mr. Jones stated that the price of coal has gone up 540 per cent. as compared with pre-war prices. Wages have gone up 145 per cent. and on eleven other materials used in connection with the manufacture of cement there had been an average advance over pre-war prices of 196 2/3 per cent. Cement, on the other hand, has not been advanced proportionate to the cost of manufacture, the prices showing a rise of from 80 to 100 per cent. according to the district in which the commodity was distributed. Early this year there had been a drop of 5 cents per barrel. The company are anxious to reduce prices and so encourage construction just as soon as their cost goes down. "As soon as the prices get anywhere near the advance that we made our prices will come down again," declared the general manager.

SYNDICATE MAY PURCHASE N.A.P. COMMON SHARES

One Being Formed to Take Up Offerings at $6

By Resident Representative.

MONTREAL.—The proposal to dissolve the North American Pulp & Paper Companies' Trust, or N.A.P. as it is known on the ticker—and exchange the common stock for $6 a share or for preferred and common stock of the Saguenay Pulp & Power Company, continues to stir up a deep interest among the shareholders. No explanation has been given yet as to where the necessary $6,000,000 would come from if all the shareholders finally decided to accept the cash offer, but THE FINANCIAL POST learns that a syndicate is being tentatively formed to take over all the shares of the company that are offered for cash. It is admitted that a large portion will prefer to exchange for Saguenay shares with an ultimate chance of a larger return. It is here that the shareholders look to receive the fullest information from the Board of Directors of North American Pulp.

The course to be followed in connection with the plans is first of all to secure the consent of shareholders to dissolve the Trust and dispose of the assets. As to this probably little objection will be offered. For the year 1919 the profits of the company were negligible, and with nothing coming from Saguenay in the form of dividends the earnings of 1920 as well

Continued on page 4.

REPLACEMENT COST IN WOOLLEN TRADE

Canadian Woolens Strikes Healthy Basis for Prices on Spring Lines

By Resident Representative.

MONTREAL.—The success of "replacement cost" basis for offering merchandise to the public was exemplified here this week when representatives of Canadian Woollens, Limited, offered spring lines to the trade of woollen cloths, blankets and woollen yarns. The prices showed a marked decline on the old peak prices, and excellent buying was the immediate result. This company liquidated all its old high price goods at a considerable loss, but is now back on a normal basis of doing business.

EFFORT TO SQUEEZE SHORTS IN RIORDON

Market Manipulation Interests the Trading Element at Montreal

By Resident Representative.

MONTREAL.—The Street was treated this week to a rather unusual spectacle for Canada of an effort to "squeeze" the shorts in Riordon Pulp & Paper Co. common stock. A short interest had developed the last few weeks in this security amounting, it is said, to about 1,500 or 1,600 shares out of a total of 60,000 outstanding. The theory behind the short selling was the known weakness for the present, both in demand and price, in the sulphite pulp market. A large proportion of the "shorts" covered by the time the stock reached 150 on the way up.

One of the reports that started buying was that the company had found a new market for 20 per cent. of Kipawa pulp for fibre silk purposes.

BUSINESS-LIKE FACTS HARD TO GET FROM HYDRO

Chairman Says Information Should Not Have To Be "Shagged Out"

FIGURES ARE VAGUE

Examination of Engineer Hewson Must Do Much to Undermine Confidence in Radial Projects

Public confidence in the estimates put forward by the Hydro for proposed radials are not being strengthened by the evidence given before the Sutherland Royal Commission by W. G. Hewson, engineer in charge of the railway work. Ever since he went on the stand not only counsel but Judge Sutherland and other members of the Board have been endeavoring to get tabulations and summations which they state should be supplied. After a week and a half of probing the information is still buried in multitudinous details. Mr. Hewson is again asked to put the eight years of study he says he has given to the subject into some form that may be checked over by the Commission and by experts

When the sitting ended its Wednesday afternoon session the chairman passed a written memorandum to the Hydro officials requesting that summarized estimates of freight be furnished showing how much the Hydro staff, in making their totals, calculated the proposed radials between Bowmanville and St. Catharines would take away from existing roads in that territory and how much would be new business.

A Business-like Basis

In other words, it might be supposed that one of the primary principles to be followed in estimating costs and prospective earnings for any new railroad would be to find out what volume of freight business already existed and moved at the time the estimate was prepared; what percentage of this volume a new line could hope to get away; and what proportion of the total estimated revenue would be new business.

Commenting on the difficulty experienced in getting this fundamental information Judge Sutherland more than once has said that adjournments have been made so that the Hydro could get these figures. His lordship finally remarked that such essential facts should not have to be "dragged out."

Robert McKay, K.C., representing the hydro radial municipalities, spoke before the Commission on the situation and said that he himself had devoted a whole afternoon and night to a few totals, tracing them through and endeavoring to work out some of the summaries required but he had been unable to accomplish much. He argued the facts were all available in volumes of statistics but not in the form the Commission wanted them. The Hydro officials, he said, had conferred on the matter and would undertake during the next two or three weeks to draw up summaries to set forth these outstanding features.

"Had Been Told So"

Another point that suggests doubt in the soundness of the radial scheme, as put forward by the Hydro Commission, was brought out in statement by Mr. Hewson that the Hydro estimated it would do a much heavier volume of freight business than the Niagara, St. Catharines & Toronto Railway because this road had not developed all its possibilities. Pressed by I. F. Hellmuth, K.C., to give facts upon which he based his assertion, Mr. Hewson acknowledged he did not know this to be definitely the case but he had been told so. Mr. Hellmuth and R. S. Robertson referred to the evidence of Mr. Friend, comptroller of the National lines, of which the Niagara, St. Catharines & Toronto Railway now forms a part, who said this road could handle two or three times its present volume of freight business if it could be secured, but the road was carrying all it could possibly get.

During the hearing of the last few

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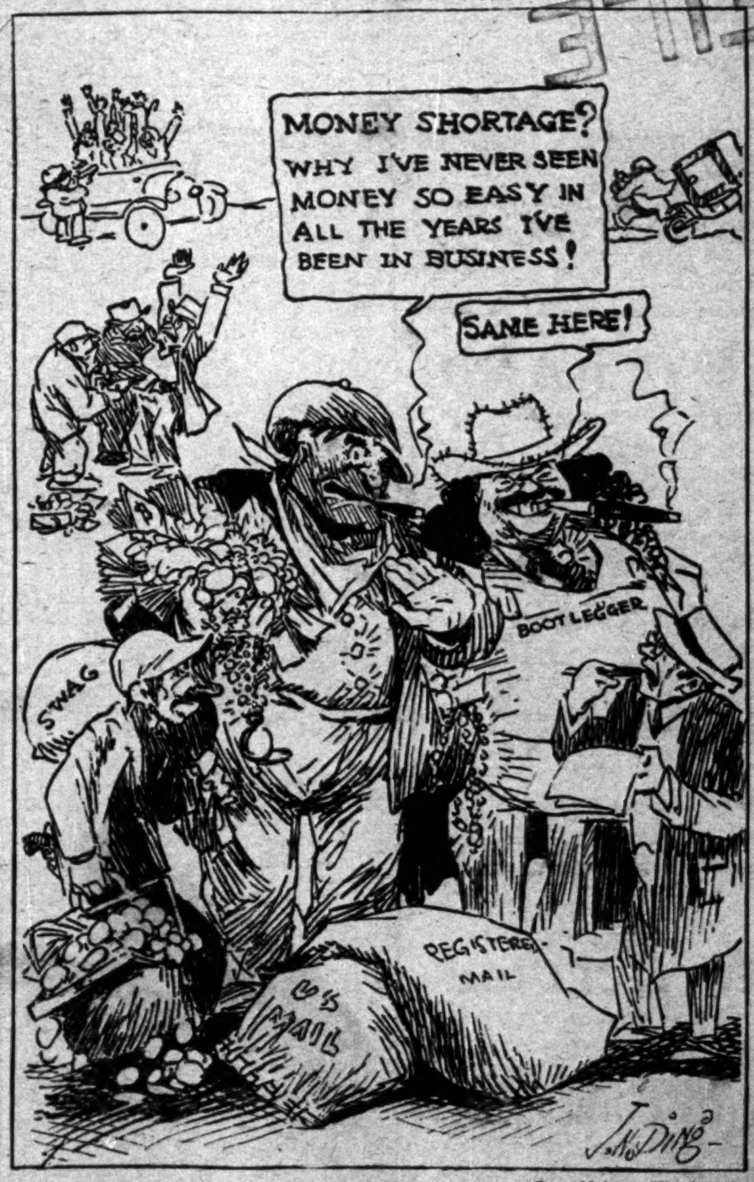
LOOK WHO'S GOT IT!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—Des Moines "Register."

There is a growing suspicion that the newspaper reporters have not been interviewing the right parties!

TEXTILE MILLS START REDUCTION IN WAGE SCALE

Canadian Cottons Employees Accept Cut of 12½ Per Cent.

OUTLOOK IN INDUSTRY

By Resident Representative.

MONTREAL.—Following upon the cutting down of wages in textile mills in the United States the Canadian companies find themselves forced to reduce wages in this country. It is probable that within the next couple of months the wages of textile workers in Canada will all have met with some reduction. Apart from the general consideration the textile companies are forced to follow, more or less closely, wage conditions in the United States and in England, as it is these countries that provide practically the whole competition that there is for textile business in Canada. In the United States the average reduction has been about 22½ per cent.

In connection with this movement Canadian Cottons, Ltd., brought into effect this week a reduction of 12½ per cent. in wages in all their mills, including the three at Cornwall, Ont., a mill at Hamilton, those in New Brunswick, etc. This will affect over three thousand employees. The notice of this was embodied in a circular letter which explained the situation from the standpoint of the company and stated that in order to stimulate trade, which has become very quiet, it would be necessary for the workers themselves to take some portion of the reduction. The company itself has made three reductions in the last few months, the third one taking place a few days ago. These run anywhere from 35 to 50 per cent. and in some cases slightly over. All the textile mills in Canada have been forced to face very severe competition through excessive reductions in prices in the United States. The extreme position resulting in that country, in many lines of industry, was the result of excessive speculation, which did not extend, to any great extent, to Canada. As a matter of fact, inquiries in the trade make it clear that there has been comparatively little buying of United States goods.

SILENT WOLVIN FAILS TO SOLVE MERGER MYSTERY

His Return From England Signal for Renewal of Speculation

CONTROL OF SCOTIA

By Resident Representative.

MONTREAL.—The president of the Dominion Steel Corporation, Roy Wolvin, is back after a trip to England and announces that he went to look after ore business of the company. So far he has made no announcement in reference to the all-important topic of the merger, which, it is presumed, he discussed casually now and then when at lunch with Col. Grant Morden, M.P., or J. W. Norcross, who is still over there.

Since the return of Mr. Wolvin opinion has strengthened that Steamships will not form a part of the merger in its initial stage. That it may be brought in finally is the belief of some in close touch with Canada Steamship Lines, but it is felt that a partial combination must be allowed time to settle down before a greater one is launched. For the preliminaries were not as auspicious as they might have been, and it is taken for granted that the new and smaller group will be introduced with infinitely more information appended than was the case with half the former group.

There is a good deal of conjecture as to what part the United States interests of Nova Scotia Steel & Iron Company will play in the consolidation. With allied interests they control by far the greatest part of the $15,000,000 shares of Scotia, which is about 40 per cent. of the total of Dominion Steel Corporation. It is suggested that a "voting trust" may be formed of Scotia stock in order to assure control remaining in the hands of the group most prominently connected with the merger, much as was done in the case of Canada Steamships Trust, where over fifty per cent. of the common stock rests its voting powers in trustees, who, in turn, have given proxies to the president of Steamships for the whole amount.

IRREGULAR TONE DEVELOPS ON THE STOCK EXCHANGES

Minor Reactions During the Week Disturb Buoyancy of Markets

MONEY EASIER

Exchange Markets Firm Up—Business Readjustment Proceeding Satisfactorily—Sterling Higher

The buoyant tone which has been the outstanding feature of the stock markets since the beginning of the year was less pronounced this week, and while the trend was mainly upward intervals of reaction and even depression developed, which gave rise to the belief that the January drive was nearing the end, and that a period of quiet would now prevail before the next movement. A large number of issues continued to move upward, notwithstanding, and closed the week at substantially higher levels. During the week considerable attention has been fixed upon the favorite investment issues, particularly the preferred stocks of sound industrials, and the price appreciation in connection with these securities was of fair proportions. The easing up in the money situation as reported by bankers and stock brokers has made buying on a fairly large scale possible.

The lifting of the restrictions upon the re-importation of Canadian securities has passed almost without notice in so far as the markets are concerned. With sterling rapidly moving to higher levels the stimulus which had formerly led to the liquidation of Canadian securities in large amounts has been removed. Not only has there been a pronounced improvement in mid-European exchanges during the week, but the premium on New York funds has been steadily reduced. There is little doubt that the business readjustment is proceeding satisfactorily, and the period of uncertainty and inactivity is approaching the end.

That there is little room for pessimism regarding the immediate future in this country was emphasized by Sir Henry Drayton, Minister of Finance, in Toronto this week, who pointed out

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883,000 TONS OF NEWSPRINT IN 1920; UP 113,000 TONS

Report of Newsprint Section to Pulp and Paper Association

NEW PULP PROJECTS

Not All in Ground Wood Based on Economic Lines—Improvement After March 1 in Book and Writing

By Resident Representative.

MONTREAL.—According to a report made to the Pulp & Paper Association at its annual meeting through George M. McKee, chairman of the newsprint section, the production of newsprint by sixteen mills in Canada amounted to 883,000 tons, an increase of 113,198 tons over the production of 1919, or almost 15 per cent. In referring to the future Mr. McKee observed that "it is quite possible that the prices of newsprint paper may show some reduction, especially in the so-called 'spot' markets during the coming months." The general tenor of the report was, however, against the likelihood of much readjustment of prices of newsprint in the near future. He expressed a firm belief that the industry would readily adjust itself to the new conditions and enter upon "a new era of expansion and prosperity exceeding any that it has heretofore enjoyed."

The report read in part as follows:

The cry for supplies of newsprint from almost every country in the world taxed the producing capacity of this continent as far as it could be engaged. This insatiable demand forced prices upward, and created an enormous "spot" demand. A large number of paper-making machines that usually made other grades of paper, were attracted to producing newspaper, and this, together with the installation of some new machines and the high production records of the regular newsprint mills, resulted in the largest tonnage ever produced by the United States and Canadian mills. This approximated 2,400,000 tons, or a gain of nearly 11 per cent. over 1919 production.

According to the figures available, production for the 16 Canadian companies reporting to this section, was about 883,000 tons, a gain in production of 113,198 tons, or nearly 15 per cent. High operating efficiency was brought about by friendly rivalry among the mills and the free exchange of operating data. All of which tends to place our industry on a very high plane.

The opening of the new year present new problems. It is quite possible that the prices of newsprint paper may show some reduction, especially in the so-called "spot" market, during the coming months. The Canadian manufacturers have had no interest whatever in this market, as practically the entire tonnage has been sold on a contract basis at reasonable prices. In fact, some of the contract prices were extremely low taking into account general market conditions. None of the manufacturers were attracted by the frequent "spot" offers, but adhered strictly to their contract obligations. With this record behind them, the Canadian manufacturers of newsprint have little interest in the much-talked about world-wide readjustment in commodity prices; their prices have not been high, and therefore have little to fall.

It is gratifying to report that the manufacturers were able to handle the requirements of the Canadian consumers throughout the year, without Governmental interference. The Canadian market having been placed on a competitive basis, all the publishers were fully supplied with paper, and amicable relations now exist between the producer and consumer. All of the former antagonistic attitude having disappeared the publisher now shows every desire to meet the manufacturer, on a straightforward business footing.

With regard to the future outlook, it is impossible to estimate how long readjustment will take. The underlying conditions of the Canadian newsprint industry are sound, and it is only reasonable to expect that, with the prestige of Canadian newsprint in the world's markets, we will readily adjust ourselves to the new conditions, and that the industry will enter upon a new era of expansion and prosperity exceeding any that it has heretofore enjoyed.

Groundwood Pulp

The mechanical pulp section report was presented by J. A. Bothwell. Reviewing the past year he stated that in the early part of the year the abnormal demand for newsprint paper and the high price level reached in the spot market was reflected in an increased demand and higher prices for groundwood pulp and the mills were kept working at high pressure. With the easing off of the spot news market there was, during the latter part of the year, a falling off in both the demand and the market price of groundwood pulp, counteracted, however, in part, by conditions of drought at some of the mills which decreased production to an appreciable extent. The abnormal prices prevailing throughout a large part of the year were absorbed to some considerable extent by higher production costs. Further

"The bulk of last year's exports of this grade of pulp, as in former years were sent to the United States, although a considerable proportion of them were sent to the United Kingdom. The outlook is for an increased development of the United Kingdom trade."

"The unusual prosperity enjoyed by this branch of the industry during the middle part of 1920 led to the formation of many new enterprises for the purpose of manufacturing mechanical pulp. Not all of the proposed developments can be said to be based on sound economic lines and it is altogether likely that many of them will never get beyond the promotion stage.

"The year closed with this branch of the industry in a healthful condition and with prospects reasonably god for the future."

The export figures showed for eleven months of 1920 that exports amounted to 5,414,729 cwt., as compared with 6,231,024 cwt. for the twelve months of 1919, while the value rose from $7,082,451 in twelve months to $15,648,424 in eleven months.

Book and Writing

The report of the book and writing section as presented by H. F. E. Kent, chairman, was in part as follows:

The Book and Writing Section reports that business has been very satisfactory for the past year; the demand for the product for the first ten months was unprecedented and it was impossible to satisfy the buyers. During the last two months the demand eased off and the mills have been able to ship much more promptly.

Raw materials were very scarce and the qualities were much below normal, making it difficult for the mills to maintain uniformity in grades. Coal was very hard to procure, prices extremely high, and the quality poor. Wages during the year increased 50 per cent., all of which necessitated very much higher selling prices than previously.

The mills, in order to meet the unusual demand made by the home market for book and writing paper, had to curtail their export business during the year although, owing to the world-wide shortage of this commodity, they could have secured better prices from outside. They felt it, however, a national duty to keep their own market supplied first.

While business during the past year has been very satisfactory, the indications are that the first month or two of this year will be rather quiet. There will be, in our opinion, before the first quarter has passed, a decided improvement and it will be found that this year will work out as satisfactory as the past year.

ALBERTA LABOR HAS BIG PROGRAM

But Government Cannot Finance All the Demands Being Made

By Resident Representative.

EDMONTON. — A list of thirty new acts and amendments to existing legislation that are desired by the Alberta Federation of Labor has been submitted to the Provincial Government in anticipation of the approaching legislature, which has now been postponed to February 15 on account of Premier Stewart's illness.

Among the things thus asked for is an Industrial Conditions Act, creating a board to function in the settlement of disputes. The Government is favorably disposed to legislation of this kind, and it is possible that a draft act may be ready in time for the session.

A 44-hour week for all workers, a fair wage clause in Government contracts, and the weekly payment of all wages in cash or certified cheques are strongly urged by the Labor Federation. On the last-named point Hon. J. R. Boyle, attorney general, has indicated that some action may be taken to stiffen the law against issuing worthless cheques, particularly in payment to workers. In respect to another request, for a new Mechanics' Lien Act guaranteeing adequate protection to the wages of all workers, Mr. Boyle has expressed himself to the effect that such protection cannot be given in any fully complete way.

Increases in the workmen's compensation payments to 90 per cent. of the normal wages are desired by the labor forces, but it is expected that the rate will be fixed at from 60 to 75 per cent.

Proportional representation in provincial elections is urged upon the Government, with amendments to all city charters to make similar provision for civic elections.

The Federation of Labor is strongly desirous of securing free treatment for tuberculosis patients at sanitariums, but Hon. C. R. Mitchell, minister of health, has pointed out that this would mean the heaviest public health expenditure yet undertaken by the province.

In a number of other cases in which the Federation has asked for increased expenditures, the Government takes the stand that some extra tax-imposing scheme will be absolutely necessary if more money is to be spent, for Alberta, with a population only equal to that of Toronto city, has not enough people to assess for all that has been asked for.

CO-OPERATIVE SHIPPING

REGINA.—A campaign for the development of co-operative livestock shipping in the southern part of Saskatchewan will be opened by the Provincial Government.

ZINC PRODUCTION IN B.C. INCREASED DURING PAST YEAR

Higher Monetary Value for Entire Mineral Output of Province

FAVORABLE REPORT

Minister of Mines Considers Increase in Coal Production One of Most Satisfactory Features

VANCOUVER. — The monetary value of ore production in British Columbia for the year 1920 stands at $35,580,625, which is an increase of 7 per cent. of the value of output for the previous year. In a report of mining activities for 1920 just issued by Hon. Wm. Sloan, Minister of Mines, it is pointed out that in addition there has been a substantial increase in the output of a number of the leading minerals. Silver production totalled 3,404,926 ounces as compared with 3,403,119 ounces for 1919, although in value, owing to the falling world quotations on silver, there has been a decline of $327,349. Copper output for 1920 also showed an increase, amounting to 42,773,660 ounces against 42,459,339, although here, too, there was a reduction in price of $454,506. While lead has declined in output this metal has profited by higher prices to the extent of $13,616.

In connection with the metalliferous mining, the most noteworthy fact, Mr. Sloan points out, is the development of the zinc industry. There was an increase of output in 1920 over 1919 of 20,027,617 pounds, and in value the improvement is estimated at $1,602,843. The explanation of this is found in the enlargement of operations in connection with the Sullivan Mine, East Kootenay, and the activity of the Trail Smelter.

In gold production, both placer and lode, the comparison is not as favorable. There is a decline in placer output of 1,075 ounces — 13,250 as against 14,325—and in lode gold it amounts to a difference of 34,250 ounces—118,176 for 1920 as against 152,426. This might have been expected, the minister points out, as the mining of gold, with its fixed value, has in these times of high cost of labor and supplies offered little encouragement and even less at the beginning of 1920. With what is now assured promise of lower costs of supplies and living, it would seem that gold mining would again become profitable.

Favorable Showing by Collieries

Mr. Sloan was enthusiastic in reference to the favorable showing made by the collieries of the province. In coal there had been an increase of 444,487 tons in 1920 over 1919—the production for the year just closed being 2,712,228 tons against 2,267,541 for 1919, the increased production representing an increased revenue of $2,223,435. The output of coke was down somewhat, the production being 68,190 tons as compared to 91,138 tons in 1919, a decrease in value of $160,636.

This manifestation of increased productivity on the part of the collieries of British Columbia is one of the most satisfactory features of the report. Mr. Sloan expresses the opinion that coal was once more coming into its own, that it was going to take the place of fuel oil to a greater and greater extent, and that the development of the industry during the past year was but the beginning of a period of sustained productivity and prosperity to the coal fields of the province.

DODGE FORDNEY BILL

Saskatchewan Farmers Get Rid of Wool Clip

By Resident Representative.

REGINA.—The Canadian Co-operative Wool Growers, Ltd., won't be caught napping if the Fordney Emergency Bill becomes law in the United States. Over 3,000,000 pounds of the 4,750,000 pounds of wool collected in Canada by the company last year have been sold and 1,000,000 pounds of the balance shipped into the United States for storage and sale in Boston.

"We took no long chances of a heavy tariff being imposed on Canadian wool by the United States," declares W. H. Tisdale, assistant general manager of the company.

PULP MILL CLOSED

HALIFAX. — The pulp mill at Liverpool, N.S., purchased some time ago by F. J. D. Barnjum, from Hon. F. B. McCurdy and John R. Macleod, has ceased operations, but it is hoped that this will be for only a short time. No particulars are given as to the reason. At the time of the sale it was announced that the output had all been contracted for by a New York newspaper.

THE UNION BANK OF AUSTRALIA, LTD.

Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED £7,500,000
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Res. Fd., £2,570,000 Together £5,070,000
Res. Liab. of Proprietors....£5,000,000
Total Capital and Reserve.£10,070,000

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In the present re-adjustment of business conditions through which we are now passing, a confidential discussion of your financial problems with the Manager of The Molsons Bank may help you materially.

EDWARD C. PRATT
General Manager

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Whalen Pulp & Paper Mills, Limited, situated in the midst of these vast resources and on the main water routes to pulp and paper using countries, is now the second largest manufacturer of easy bleaching and bleached sulphite pulp in Canada.

Investors in the 7% Mortgage Debenture Stock of this Company obtain a well-secured return, and a share in surplus profits through a substantial Common Stock bonus.

Write for Illustrated Circular.

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WEST NOT UNIT ON QUESTION OF THE WHEAT POOL

Saskatchewan Has a Big Co-operative Elevator System

SOUNDS A WARNING

Saskatchewan Grain Growers' Managing Director Thinks It Dishonest to Ask Farmers to Sign Proposed Agreement

By Resident Representative.

REGINA.—With suggestions from all sides, the question of a farmers' wheat pool at the moment holds the centre of the stage in Saskatchewan. And with new proposals breaking into print every few days the agrarians are in a dilemma. The first plan broached was the tentative plan of the Canadian Council of Agriculture. Next the Saskatchewan Government announced the appointment of James Stewart, former chairman of the Canada Wheat Board, and F. W. Riddell, of the Saskatchewan Co-operative Elevator Company, as a commission to study the question of wheat marketing and report to the Government. In making the appointment the Government announced that it "did not necessarily mean opposition to the scheme produced by the Canadian Council of Agriculture." Following this Ottawa despatches bring to the West rumors that the Dominion Government is considering the situation "seeking, if possible, to spear the various farmers' co-operative enterprises in the West and dividing the farmers' vote."

As far as the plan of the Council of Agriculture is concerned officials of the Saskatchewan Co-operative Elevator Co. and officials of the Saskatchewan Grain Growers are opposed. J. B. Musselman, managing director of the Saskatchewan Grain Growers and also a member of the Canadian Council of Agriculture, declares that the Council's tentative contract, which has been published with the sanction of the Council, never came before the Council as a whole and the Council as a body still knows nothing about it.

Sounds a Warning

"I don't think any honest man could ask a farmer to sign such a contract," says Mr. Musselman. In sounding a note of warning he says the farmers in contracting to deliver all their wheat for five years to one concern as planned in this scheme would be binding the farmer hand and foot. The formation of such a pool, he states, would pre-suppose the use of the marketing facilities of the two big farmers' companies and these, he points out, do not reach more than 40 per cent. of the grain marketing centres in the West.

A successful pool of the sort advocated by the Council of Agriculture would mean, says Mr. Musselman, the elimination of every elevator company in Western Canada and would bring about the most herculean fight over grain marketing ever seen. This statement is interesting in view of the fact that the provincial Government since 1911, when the Saskatchewan Co-operative Elevator Company was formed, has with 25,000 shareholders invested over $5,000,000 in grain marketing facilities.

Langley is Cautious

On the proposal of the formation of a voluntary pool, Hon. George Langley, Provincial Minister of Municipal Affairs, member of the Canadian Council of Agriculture and vice-president of the Saskatchewan Co-operative Elevator Company, is cautious. He enunciates three factors which largely ensured the success of the Wheat Board and which would be absent in a voluntary pool. They are:

1. The Wheat Board had complete control of the whole crop of the Dominion.
2. They had control of all the local and terminal storage facilities.
3. They were relieved of all financial anxiety.

The action of the Manitoba Farmers at their annual convention in endorsing the scheme of the Canadian Council of Agriculture in view of the apparent divergent view in Saskatchewan indicates that the solution of the problem is still far off. Early in February the annual meeting of the Saskatchewan Grain Growers will be held and here the question will be given fresh impetus.

A. W. Douglas, chairman of Committee of Statistics and Standards, Washington, states that in his opinion, although general business situation has changed but little during recent months, there are pronounced indications that the first shock of the present depression is over.

TEACHERS AND TAXES

Education Comes High, But They Want It In West

By Resident Representative.

REGINA.—Teachers in the rural schools of Saskatchewan are better paid now than ever before, according to official figures. During 1919 few rural schools paid as high as $1,500, while in 1920 100 out of 526 paid this salary, or even higher, and in the majority of cases a free furnished cottage with free fuel was provided.

Very high school taxes are being paid uncomplainingly in many cases in order to increase the efficiency of the schools. Several districts are paying as much as $50 a quarter section of land in school taxes, while in a Ruthenian settlement the figure reaches $75 a quarter section.

Salaries are usually high in the non-English settlements of the province. In the Austrian settlements the figures ran from $1,200 to $1,740, while in the German settlements the highest salary paid was $1,800.

ANGLO-PERSIAN OIL OPERATING IN N.B.

Planning to Extract Oil From The Shales of Albert County

By Resident Representative.

ST. JOHN.—The Anglo-Persian Oil Company is erecting buildings at Baltimore, Albert County, where, it is said, it will instal machinery for the extraction of oil from the oil shales of the vicinity. The boilers are already on the ground, and the retorts are reported to be on the way. According to information available here, the company will mine the shale, and extract the crude oil, which will be used for fueling British ships. The expectation is that a very considerable industry will be developed in the near future.

Albert County has extensive oil shales deposits, and according to tests made under the auspices of the Provincial Government, the oil content of many of the deposits is twice the oil content of shales which have for years been profitably worked in Scotland.

About two years ago the Anglo-Persian Company sent geologists and oil experts to study the situation in Albert and Westmoreland Counties. The geologists spent some months cruising about the two counties, and the experts have been boring for oil and gas wells in Westmoreland County ever since. Some Moncton business men say that the experts are not anxious to discover oil or gas wells just now, but when asked what they mean by that they change the subject.

The fact that the big British company is preparing to develop the oil shales of Albert County has created much interest in the province.

BIG CO-OPERATIVE STORE IS FAILURE

Washington Project Going Down Under Collapse of the Sugar Market

Shattered almost in its inception, the United States Government employees' stores scheme, which was expected to make the retail merchant superfluous to the army of Government clerks in Washington, D.C., already has begun to disintegrate.

Its affairs, which have been going from bad to worse, have now reached the verge of a smash, in which the "co-oppers" face the necessity of putting up out of their own pockets a deficit of more than $8,000.

The last blow was delivered by the flop of the sugar market, which has left the organization with a large stock of high-price sugar and 100,000 nominal customers who can go to the retail grocery "around the corner" and buy sugar much cheaper.

The co-operators, the 100,000 Government employees, are falling rapidly away after a brief period of patronage. For a while, it is explained, when prices in the regular markets were at their very peak, and the Government surplus army and navy stocks were available as comparatively low-cost sources of supply, the difference between the retail prices of the clerks' stores and the regular trade was sufficient to attract trade despite the lack of facilities for service.

But gradually, even before the drop in the outside markets, there was noted a steady tendency of the Government employees to turn away from the co-operative scheme and deal with the retail grocery which carried just the brands they wanted and just the size containers their household requirements dictated, and not "something just as good" in cans and packages large enough to spoil before they could eat them all up.

MANAGEMENT IS THE PRACTICAL SUCCESS SECRET

An Industrial Tragedy at Bridgewater, Nova Scotia

FIRM IN LIQUIDATION

Pittsburg Millionaires Were Never Able to Continue the Record of the Davisons in the Lumber Trade

By Resident Representative.

HALIFAX.—The Davison Lumber and Manufacturing Company, of Bridgewater, N.S., is being liquidated voluntarily. This was once, in its original form, one of the most lucrative and prosperous lumber companies in Nova Scotia. At that time it was operated by the Davison brothers, men who had grown up with the business, knew all the conditions and were fully familiar with the markets they dealt in. The Davisons, many years ago, sold out to a group of Pittsburgh financiers who proposed to extend the works on a large scale. They did, as a matter of fact, spend large sums in extensions and new mills and built a lumber railway. But it is doubtful if they ever made any money. The extensions were on too vast a scale and the markets did not respond to the outlays made. It is an example of a fine property, which, while managed by the men who had put it together and knew all about it, could not be made to go on a large scale by capitalists from abroad who were not familiar with local conditions no matter how enterprising.

The statement of the company shows that the lands and timber are valued at $6,762,000 and that current liabilities are $715,000. The wood lands are undoubtedly very valuable but they are not a liquid asset and the total liabilities balance the assets at $8,187,000. F. K. Brown, of Pittsburgh, is the vice-president and manager. The bank is understood to have a heavy claim on the assets and just how the ordinary creditors will fare does not yet appear.

The Union Supply Company is a separate concern, of which Mr. Brown is manager and chief owner. It has no direct connection with the Davison Company but its business was largely with it in the sale of such supplies as were needed. It also is being liquidated, the company having invited one of the creditors to take action so that this could be done the more expeditiously. Its head office is at Bridgewater.

Still another concern, somewhat allied with the lumber company, at Springfield, where one of the largest mills is located and where the branch railway terminates, is also in process of liquidation.

THE FURNITURE SHOWS

Orders Received Promise Factories Good Run in 1921

The furniture shows held recently at Toronto, Kitchener and Waterloo have been regarded as successful, a reasonably satisfactory volume of orders having been received covering all lines, while goods that indicated especially good designs with moderate prices are reported to have moved freely.

These furniture shows, which were suspended during the war, have been the means whereby the manufacturers gauge the future for a year and the retailers study all the new and standard designs. Judging, therefore, by the orders received, the year 1921 should be a period of growth and industrial reconstruction. The volume of orders is significant when compared with the reports of similar furniture shows as held in Grand Rapids. A member of the Furniture Manufacturers' Association of Canada, recently returned from the above shows, was impressed with the lack of actual buyers. "It seems to me," he said, "that the American furniture manufacturers are now entering on the period of shutdowns, from which Canada is just emerging."

NEW MEMBERS FOR EXCHANGE

The membership of the Toronto Stock Exchange was extended last week by the election of two new members, Stanley Johnston, of the firm of Johnston & Ward, of Montreal, and J. F. Stewart, of J. F. Stewart & Co., Toronto. A comparatively large number of Toronto bond dealers have during the past few weeks acquired seats on the exchange, presumably in order that they might share in the business arising out of the buying and selling of Victory Bonds on the exchange.

THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed)
December 31, 1920

HEAD OFFICE
MONTREAL

LIABILITIES

Capital Paid Up	$ 20,163,960.00
Reserve Fund	[illegible]
Undivided Profits	[illegible]
Notes in Circulation	40,596,168.74
Deposits	456,650,382.85
Due to other Banks	13,069,149.30
Bills Payable (Acceptances by London Branch)	5,270,168.70
Acceptances under Letters of Credit	16,379,627.23
	$572,825,370.02

ASSETS

Cash on Hand and in Banks	$137,332,679.18
Deposit in the Central Gold Reserves	22,500,000.00
Government and Municipal Securities	34,108,797.60
Railway and other Bonds, Debentures and Stocks	14,619,085.34
Call Loans in Canada	14,106,134.79
Call Loans elsewhere than in Canada	43,445,214.47
	$266,111,911.38
Loans and Discounts	278,811,868.60
Liabilities of Customers under Letters of Credit as per contra	16,379,627.23
Bank Premises	9,701,134.01
Real Estate other than Bank Premises	918,198.45
Mortgages on Real Estate sold by the Bank	42,630.35
Deposit with Dominion Government for Security of Note Circulation	860,000.00
	$572,825,370.02

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THE HOME BANK OF CANADA

THE HOME BANK OF CANADA

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ELEVEN OFFICES IN TORONTO

The Bank of Nova Scotia

Established 1832

Capital	$ 9,700,000
Reserve Fund	18,000,000
Total Assets	230,000,000

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H. A. Richardson, General Manager.

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A General Banking and Foreign Exchange Business Transacted

Buy Before the Rise!

How trite this advice seems, yet as applied to Bonds and Preferred Stocks of the higher grade it never carried more force than at the present time.

Investment securities are still selling at prices to afford nearly the highest return in five years' time, but the investor who thinks he will much longer have the opportunity of buying Bonds to return 6½ per cent. and Preferred Stocks from 7½% to 11%, is going to be very far astray.

With the slackening in general business large amounts of money are seeking investment and already high-grade securities have commenced an advance that is likely to continue, with pauses, during the whole year.

Send for our Special Investment Circular.

McCuaig Bros. & Co.
Members of the Montreal Stock Exchange
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Unusual Investment Opportunity

We are recommending a sound proposition, regarded as "the need of the hour" under existing conditions, paying 8% in Canadian or American funds.

Will gladly send you particulars.

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Investment Bankers
Canada Life Building, Toronto

Preferred Stocks

Owing to the rapid rise of prices in the Bond Market, many conservative investors are turning their attention to sound preferred stocks that return greater yields with a good margin of safety.

We have several attractive preferred stock issues, backed by established earnings, and in some cases carrying attractive bonuses of Common Stock.

May we send you particulars?

RICHARDSON, SHEPPARD & THORBURN
LIMITED
INVESTMENT SECURITIES
Royal Bank Bldg. - Toronto

THE GOLD STOCKS

are in splendid demand and prices have already appreciated substantially.

These advances are small, however, as compared with those which will, in our opinion, be registered within the next few weeks.

Buy these issues now for substantial profits

Homer L. Gibson & Co.
Bank of Hamilton Building
TORONTO

THE UPWARD TREND

Notwithstanding the seemingly alarming over-inflation apparent in the present finances of the world, the tendency seems to be all toward a stabilization of conditions generally.

Business readjustments are making substantial progress. Manufacturers are again turning attention to production. Labor difficulties seem nearer solution owing to decrease of unemployment. Cheaper money is admitted to be in sight and once the channels of commercial activities are properly opened, the gradual return towards pre-war normals will become more apparent.

These conditions undoubtedly have a direct bearing on the Bond Market, and will show in rising prices for high grade securities. Unquestionably now is a favorable time to buy good bonds and over a period present purchases should show substantial increases in values.

Bond Department
CANADA TRUST CO.
14 King St. E. Toronto

Officials of the central region of the Pennsylvania Railroads at Pittsburgh announce that technical men to the number of about 1500 will be given a holiday of one day each week during the freight and passenger depression.

DECEMBER TRADE ON LITTLE MORE FAVORABLE BASIS

Balance Was Not So Adverse as in Several Recent Months

DECLINE IN IMPORTS

Buying From Almost Every Country Affected—About $9,500,000 Less Purchased in United States

By Resident Representative.

OTTAWA.—One of the most interesting trade summaries of the whole year is that for the month of December, as it shows the course of our trade for the complete calendar year. The statement issued this week is especially interesting, as it seems to indicate the beginning of a change in that trend which has held sway throughout the latter half of the year, viz.: an adverse balance of trade. Although the balance of trade for the year is still against us to the tune of about $34,000,000, yet for the month of December there was a decrease of imports from the November statement of about $13,000,000 and an increase of exports of nearly $2,000,000. As compared with December, 1919, the imports were nearly $9,000,000 less.

Imports from the United Kingdom show a decrease of about $3,300,000 from November, while in those from the United States the decrease was about $9,500,000. There were, however, small decreases in imports from almost every country on the list. Out of the total list of 53 classes of imports there were decreases in 33 and increases in 20 as compared with the twelve-month period ended November 30; while for the complete twelve months period there were increases in 46 articles and decreases in only 7—showing that the leaven of economy had only just begun to work in December.

In classes of imports there was a decrease in every classification given, the totals and decreases being as follows: Vegetable products, total $16,604,599 (decrease, $400,000); animal products, $2,585,000 ($1,500,000); fibres and textile products, $11,833,000 ($3,250,000); wood, wood products and paper, $5,051,528 ($700,000); iron and its products, $18,543,755 (nearly $2,000,000); non-ferrous metal products, $4,127,834 ($875,000); non-metallic mineral products, $18,881,969 ($2,380,000); chemical products, $2,097,021 (over $1,000,000); all other commodities, $5,076,275 (over $1,500,000).

Increases in Exports

In classes of exports the principal figures for the month were as follows: Vegetable products, $87,040,665; animal products, $18,734,584; fibres and textile products, $1,785,044; wood, wood products and paper, $23,270,641; iron and its products, $8,627,564; non-ferrous metal products, $3,827,093; non-metallic mineral products, $3,315,381; chemical products, $1,196,001; all other commodities, $1,487,352. The principal increases were as follows: Vegetable products, $6,200,000; iron and its products, about $850,000. There were decreases in animal products (about $3,000,000); metal products, $1,300,000.

Out of 40 classes of exports, there were increases in 10 for the twelve months ending December as compared with the twelve months ending November, and decreases in 30; while comparing the two December twelve-month periods increases and decreases were both 20.

In the twelve months ending with December trade by countries shows some interesting features, with the same general tendency. In regard to gross import trades, the principal countries rank thus: United States, $921,625,825; United Kingdom, $231,479,294; Cuba, $33,198,207; France, $20,702,392; British East Indies, $17,943,559; British West Indies, $15,871,496; Japan, $13,861,041. In exports they rank as follows: United States, $559,956,669; United Kingdom, $341,168,451; Italy, $55,907,929; Belgium, $47,717,448; France, $36,620,199; Greece, $29,600,894; Netherlands, $19,476,585; Newfoundland $17,514,494; Australia, $17,025,124; British South Africa, $14,126,132. The most striking change is that Netherlands has jumped from ninth to seventh place on the list since last month. Last year the Netherlands was in seventeenth place.

Big Increase in Coal

The most striking feature in the import trade for the calendar year was the fact that there were increases in 46 out of the 53 articles of import listed. Some of those were very striking. Bituminous coal, for example, increased from $29,565,105 to $61,260,247; cotton from $71,517,742 to $124,336,700; iron and steel from $150,500,893 to $213,316,321; sugar and molasses from $65,500,259 to $84,653,330; wood from $20,528,585 to $31,244,982; wool from $46,619,228 to $84,427,832; silk from 26 to 38 millions; breadstuffs from 19 to 27 millions; flax, hemp and jute by $5,500,000.

Features in exports were the following increases: Cheese, nearly $9,000,000; wheat, $56,000,000; nickel, nearly $4,000,000; paper, over $25,000,000; rubber, $4,000,000; autos and parts, over $4,000,000; wood, over $30,000,000; pulp and other manufactures, over $40,000,000. There were also some exceedingly heavy decreases, such as flour, over $52,000,000; textiles, $4,500,000; iron and steel, $3,400,000; beef, $10,000,000; bacon and ham, $44,000,000; hides and skins, $9,500,000; fish, $8,500,000; animals, $27,500,000.—T.M.F.

TO WORK OUT OIL POLICY FOR NORTH

Oil Producers Apprehensive Over Suspension Order of Government

Oil producers with holdings in Western Canada are much perturbed over the recent order-in-council issued from Ottawa suspending all oil and gas regulations for the Northwest Territories. It is probable that the ruling will apply for a short time only, but in the meantime the oil promoters are undecided as to what course to pursue in the immediate future. The closing of this territory for exploitation even for a short time is due to the oil strike by the Imperial Oil Company at Fort Norman on the Mackenzie River, and the desire of the Government to reconsider the entire situation in the north. It is expected that the Government's permanent policy with respect to oil and gas leases in these territories will be announced within a few weeks.

Since the strike at Fort Norman it is said that the Federal Government has received many recommendations on the proper method of developing the oil resources of the Mackenzie basin. Companies who are willing to spend thousands in exploration and development desire protection from squatters, who file but do not develop.

A national system of pipe lines is also advocated. It is urged that such a system would encourage the individual to develop his holding, and if successful provide an opportunity of marketing his product. Lacking such facilities only the large companies can operate.

NORTH AMERICAN LIFE'S GOOD YEAR

Large Distribution to Policy Holders—Death Losses Down

A year of uninterrupted progress during 1920 is reported by the North American Life Assurance Company. The fortieth annual statement issued this week reveals a favorable expansion in business, the amount of insurance in force with this company reaching the highest figure on record at $99,600,473, compared with $84,597,175 for the preceding period. During 1920 business issued and revived amounted to $24,363,971, which is $2,150,000 in excess of the returns for the year 1919.

Some conception of the scope of this company's business is conveyed in the fact that during the past year there was paid to policyholders and beneficiaries over $2,163,000. This amount included $424,948 paid as dividends, while in contrast it is noted that only $6,000 was paid to guarantors. The death losses incurred during the year amounted to $650,995, being somewhat less than the figure for the previous year, which amounted to $882,000. This may be partially accounted for by the fact that a number of death claims resulting from the influenza epidemic in 1918 were held over and paid in 1919, thus increasing the disbursements in the form of beneficiaries in that year. President L. Goldman in his address to the policyholders at the recent annual meeting announced that the same scale of dividends would be continued to policyholders during 1921.

The president further pointed to the increase of over $1,170,000 in assets during the year, bringing the total up to $20,041,882. After liabilities have been fully provided for there is a net surplus of $2,609,827, which is a slight decline over the 1920 figure of $2,694,338.

NEW COMMISSIONER OF COMMERCE NOW

R. R. Poussette Has Been Twelve Years in Different Parts of World

By Resident Representative.

OTTAWA.—Canada again has a Commissioner of Commerce. The first holder of that office, the late Richard Grigg, was not a pronounced success, having been an old man when he assumed office here, and looked on more or less as a discard of the British Board of Trade, to which service he had given his best years. Since his death several years ago, there has been no appointment made to the office, although some of the duties were performed by Mr. Watson Griffin, one of Canada's trade commissioners in the West Indies. Mr. Griffin was a man of enormous assiduousness, but was otherwise not well qualified for the office.

The new Commissioner, H. R. Poussette, who has just assumed office, has been a trade commisioner for the past twelve years in different parts of the world, and has just made a study of conditions in India. His success in the office will depend largely on the cooperation he receives from the Ministry of Trade and Commerce, which has hitherto not been conspicuous for the fruitfulness of its ideas nor energy in carrying them out. It expected here, however, that with the reorganization of the government which is due, that Mr. Poussette will find cooperation by the appointment of a young and aggressive minister, the name most commonly suggested being that of Mr. Lloyd Harris.

The announcement was made recently that reorganization of the Trade Commissioner service in Great Britain, which has been expected to follow the closing of the Trade Mission there and the Canadian Trade Commission here, and which was expected to follow the recent visit of Sir George Foster to Europe, has been indefinitely postponed, awaiting the righting of the exchange situation. In view of the fact that the bulk of our export trade is now done with the United States, it is being urged that Canadian trade agencies should be opened up there, in an endeavor to right the balance of trade and exchange, instead of waiting for it to right itself at some indefinite time in the unknown future, which is the method suggested for the European situation.—T. M. F.

SYNDICATE MAY PURCHASE N.A.P. COMMON SHARES

Continued from page 1

are practically non-existent, so that there is no immediate concern over the possibility of the Trust being taxed in the United States as well as in Canada. If a fair basis of exchange of N.A.P. shares for Saguenay can be arranged this would appear to be the best method of working out of a most complicated situation.

After the meeting in February, which, by the way, will take the form of an annual meeting as well as a special, it is proposed to send out to the shareholders audited statements both of North American and Saguenay covering the year 1920. At that time the N.A.P. shareholders would be in the position of having accepted an alternative of selling out for $6 a share or accepting one share of preferred of Saguenay and four of common for ten of the common of North American. The nature of the Saguenay statement of earnings, and any estimate that may be given at the time as to prospects for the current year, will decide most of the common shareholders of N. A. P. as to the choice they will make. So far as can be learned there was no annual meeting of the North American Company to receive any statement for the year 1919, nor, would it seem, was any issued. Indeed such a statement would have been a mere formal affair as it was a purely holding company with Saguenay operating all its subsidiaries.

The offer of the syndicate being formed for North American Pulp, if $6 per share means $6,750,000 with exchange, allowing $75 a share for Saguenay preferred, 1,200,000 shares would be worth only $900,000. This leaves $5,850,000 for value of 40,000 shares of Saguenay common held or $146 a share. An estimate is that by the end of 1921 Saguenay net profits would be enough to wipe out its $5,500,000 bond issue.

MacKay Common

Mackay Common was singularly strong throughout the present week, and on Friday last jumped seven points to 80 without any apparent cause. Reaction followed, however, the stock settling **down to 77 at the close.** There was no news on the Street to account for the sudden rally, and the improvement is attributed to the scarcity of the stock together with the enhanced demand. This is one of the steadier features of the market, and a jump such as experienced this week is unusual.

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JOINT MANAGING DIRECTORS:
S. B. MURRAY, Esq., F. HYDE, Esq., E. W. WOOLLEY, Esq.

Subscribed Capital	£38,096,363
Paid-up Capital	10,840,112
Reserve Fund	10,840,112
Deposits (June 30th, 1920)	367,667,322

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NIAGARA FIRE INSURANCE COMPANY
Incorporated 1850 Head Office: NEW YORK
Cash Capital: $1,000,000.00
Total Assets Dec. 31st, 1919: $11,817,340.03
Canadian Department: MONTREAL W. E. Findlay, Manager
Toronto Agents - - - Murphy, Love, Hamilton & Bascom

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The Directors have declared during the year just ended a total of 10% per annum on the Preferred Stock and 20% on the common stock of this company.

In view of the fact that this first year has had to absorb all the expenses of organization and that all proper charges for depreciation have been provided for before arriving at the net profits mentioned, the Directors have every confidence in the ability of this company to make even greater showings in the future. A limited amount of 10% Preferred Stock is still available for purchase or special blocks of $300.00 on the basis of $200.00 Preferred and $100.00 Common, or any equal proportion thereof. This Common Stock has never been offered to the public and never been given as a bonus in any way.

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William H. Youngs,
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ALBERTA FLOUR MILL TO MEET WESTERN NEEDS

Offering of Additional Stock in the East as Well as the West

ONLY COMMON STOCK

Profits Will Be Distributed on Basis of One Issue—Bond Issue Likely to Provide Working Capital

A unique feature of the offering of common stock of $1,250,000 being made by the Alberta Flour Mills, Limited, of which $500,000 is being allotted to the provinces of Ontario and Quebec — the remainder to be floated in the Western provinces—is that the common shares are the senior securities—if there can be a senior issue when there is only one. There is no common stock and there are no bonds. The project is a purely Western one, with some of the leading business men of Alberta behind it, and they have gone in on the basis that if the mill is to make money then the common stock will stand as well as the preferred and the capital will all be fully paid up. A bond issue will probably be made when the big mill has been completed to provide working capital.

The project is by no means a new one. Construction has already been going on for a year and a half and of the total stock issue of $2,500,000, half has already gone into the proposition in securing property and erecting the mill. The big end of the construction work has been done. It is figured that three-quarters of the structure have been "poured." It is planned to resume operations as soon as weather conditions will permit and the building should be completed by October. The installation of machinery and equipment will then be a matter of a few months before active milling operations commence.

The mill is the biggest flour making unit in Canada. It will have a capacity of 7,500 to 8,000 barrels per day. The construction is the most modern and the plant will have several very advantageous features. Trackage facilities are such that all railways can be served from the side of the building. This will permit of gravity loading and reduce costs in handling to a considerable degree.

Looking to Profits

The men behind the project believe that substantial profits are assured. They declare that the place to mill wheat is where it is grown and point to the fact that there will be an immediate market for mill feeds to the stock raisers of Alberta. Cheap hydro power is available, which they say will give them a big advantage over the Minneapolis plants, while coal for fuel can be had on a reasonable basis.

A recently prepared prospectus on the basis of 200 working days only a year, current prices for wheat and current markets for flour and by-products and with operating costs well above what the builders believe they can show eventually, indicate a profit of $2,835,000 from one year's operations, which would be available for distribution on the common stock. Domestic and export markets have been analyzed as a basis for the estimates made.

Big Men Behind

The men who have gone into it and who have contributed very largely to capital which has already been raised are "big" in the West. The president is the well-known rancher, George Lane, who heads the firm of Lane & Co., Ltd. The vice-president is A. E. Cross, another rancher and farmer who is president of the Calgary Brewing and Malting Company. Among other directors are Wm. Pearce and Col. J. S. Dennis, C.M.G., both Western officials of the Canadian Pacific Railway. In a recent statement Mr. Lane says:

> We are building one of the largest mills on the continent, constructed of solid reinforced concrete, that will manufacture flour at the lowest overhead cost, and where the cost of upkeep and repairs in the future will be at a minimum.
>
> The company is fairly and cleanly organized. There is no bonus of promotion stock and every holder of stock has paid the full par value thereof. It is a ground floor proposition throughout and every holder of shares will receive the same return on every hundred dollars invested.
>
> The work to date is well done and has been done as cheaply as possible. We have tried to make a dollar buy a dollar's worth wherever spent, and there has not been any money paid to anybody except for value received, either in materials or labor.

It might also be mentioned that subscribers will be paid 7 per cent. on capital paid until such time as operations start. This is part of the promotion allowances and insures all stockholders being on an equal footing when the work is completed.

HEAVY TRADING IN PREFERRED STOCKS

Favorite Investment Issues Respond to Improved Market Tone

A revival of investment buying on a fairly large scale has been the outstanding feature of the stock markets since the beginning of the year, and the preferred stocks of Canadian industrials have shared largely in this activity. This improved condition has been brought about by the altered sentiment of the market generally, and the realization on the part of the investing public of the very favorable opportunities offering in preferreds. The price appreciation in the majority of cases has been of substantial proportions, while the yields have been reduced in consequence.

A survey of a list of representative stocks, their price changes since the beginning of the year, together with the yields at present levels, indicates that the appreciation has been fairly general, most conspicuous perhaps in the case of F. N. Burt, preferred. Canadian General Electric, Canada Steamships and Dominion Steel have also made substantial advances. While yields in one or two cases at the beginning of the year ranged above 10 per cent., it will be noticed that the highest now is 9.58 per cent., while a number are above 8 per cent. The rate in the majority of instances, however, prevails between 7 and 8 per cent.

The following table shows the variation in price for a number of securities since the beginning of the year:

	Opening 1921	Present Level	Yield
F. N. Burt	96½	107	6.54
Canada Bread	85	85	8.23
Canada Cement	90	93	7.52
Can. Cottons	70	72	8.33
Can. Gen. Elec.	91	96	7.29
Can. Locomotive	83	86	8.14
Can. Steamships	65	73½	9.58
City Dairy	82	82	8.53
Dom. Canners	78	80	8.75
Dom. Steel	64	70	8.75
Dom. Textile	90	94	7.44
Mackay	63	64	6.25
Maple Leaf	93	95	7.42
Penmans	78	81½	7.40
Steel of Canada	86½	92½	7.61
Spanish River	93¼	91¼	7.62
Tucketts	82	83	8.43

RUMORED THAT C.P.R. WILL CUT DIVIDENDS

Report Arises in New York—Little Credence in Canadian Financial Circles

A disquieting rumor concerning Canadian Pacific emanated from New York this week to the effect that there was a possibility of a cut in the dividend at the next annual meeting. A Toronto brokerage house received this information from its New York correspondent, who pointed out that this rumor had been in circulation for a number of days past. Attention is called to the fact that in the years 1918 and 1919 this company earned its 10 per cent. dividend by a narrow margin, and then only by the inclusion of special income. It had been hoped that the special income of 1920 would at least make up to that of the two previous years, but present indications are that it will not do so according to the New York informant. If this proves true there is a strong probability that actual income for dividends will fall below requirements, notwithstanding the improvement in gross revenue shown in last months of the year by reason of the increased freight rates. It would not be surprising, he adds, if the dividend rates were reduced to 8 per cent., and possibly 7 per cent., although he makes it clear that there is no official information available on the subject. The next dividend payment is not due until March 31.

Little credence is given to this rumor in Canadian financial circles, in view of the apparently improved financial position of the company arising out of the increased freight rates granted last fall. C.P.R. has, however, been particularly weak during the past few days, and has moved down from a high of 141 attained two weeks ago to a low of 131 at the close of the present week, or a loss of ten points. The movement is the more unusual in view of the fact that the markets generally have been firmer, and there is little in the way of specific information to account for this depreciation.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the week ending January amounting to 6,890, tons, while for the first two weeks of January the receipts totalled 13,148 tons.

BELL TELEPHONE RATES HEARING ENDS AT OTTAWA

Judgment Is Reserved by the Board of Railway Commissioners

COMPANY'S POSITION

"Measured Service" Plan Considered Right in Theory But Unfair in Practice

By Resident Representative.

MONTREAL. — Argument in the Bell Telephone Company's application for increased rates, and the installation of a measured service system for the business districts, was ended at Ottawa this week. The judgment of the Board of Railway Commissioners, which has been reserved, is awaited with keen interest here. In the meantime the debate upon the justice of the company's demands still continues in business circles.

The position of the average business man continues to be that the "Measured Service" plan is quite right in theory but unfair in practice under the peculiar conditions pertaining to telephone service in every community.

There is, on the other hand, a disposition to grant the company the right to make a charge in accordance with the number of calls that go through the 'phone or 'phones of each office. The company's position is conceded insofar as recognizing that it is unfair for a firm that has only a few calls a day to pay as much for a 'phone as a firm that has ten times as many and still can work these through on one or two 'phones, it may be.

On the other hand, the specific rates the company proposes to charge for individual calls still are objected to on the ground that this works out at an excessive cost to the individual firm, and discriminates in favor of that kind of business that receives in the main incoming calls and has few outgoing, and also that there is no effort to charge the private 'phones that in such a large proportion of cases make these incoming calls and receive the personal advantage from them. For instance, the most flagrant case, for the ordinary business house, would be that of the grocer, who probably has 95 per cent. of his calls incoming, and in the main from house phones. He would pay far less than another firm whose calls in the main were outgoing, and yet who caused no heavier drain on the general service than the grocer. Nor in his case would the private homes pay more; just the flat rate. It is such inequalities as these that have maintained opposition to the company's form of application.

Classify Number of Calls

What is suggested instead is that the company draw up some classification or grouping based on the number of calls a firm receives by actual inspection. Or there might be a classification according to business made, and a certain charge arranged for each group. If the calls averaged beyond a certain number two 'phones could be insisted on, or three or four with proper charges for these extra ones. That is, each group would pay a flat rate, but a rate higher than members of a group that use the 'phone far less, and thus each customer of the company would be paying, roughly, at least for the service obtained, and for his share of the load on the whole system.

As to the best method for figuring returns of revenue to the company opinions still differ. The original plan of the company was to ask for a certain interest return on the physical valuation of their assets, which are roughly estimated at $60,000,000. Difficulties in coming to any agreement on the basis of valuating these are obvious; whether as at the time the valuation was made, that is replacement value, or at cost — the actual amount of money invested in plant; and so on. Then again there was the fact that it would take probably a couple of years to make a complete inventory of the whole equipment. As it stands the company is asking a return on the capitalization; on the theory that this rises proportionately with the increase in the equipment, which is correct substantially.

In the meantime the stock market would appear to be discounting an expected permanent improvement in the earning power of this company.

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The Toronto General Trusts Corporation

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE TORONTO GENERAL TRUSTS CORPORATION WILL BE HELD AT THE HEAD OFFICE OF THE CORPORATION, AT THE CORNER OF BAY AND MELINDA STREETS, IN THE CITY OF TORONTO, ON WEDNESDAY, THE 2ND DAY OF FEBRUARY, 1921, AT 12 O'CLOCK NOON, TO RECEIVE AND CONSIDER THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED 31ST DECEMBER, 1920, TO PASS AND CONFIRM BY-LAWS, TO CONSIDER AMENDMENTS TO EXISTING BY-LAWS, AND TO ELECT DIRECTORS FOR THE ENSUING YEAR AS WELL AS FOR THE TRANSACTION OF SUCH OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE SHAREHOLDERS.

BY ORDER OF THE BOARD OF DIRECTORS,

A. D. LANGMUIR
General Manager

TORONTO, January 18th, 1921

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MONTREAL POWER EARNED 5.9% ON ITS COMMON STOCK

Good Showing in Spite of Heavy Increases in Operating Expenses

GAS MAY GO UP

At Present it is Manufactured At a Loss—Increased Production of Electricity and Gas—Ample Provision For Plant

By Resident Representative.

MONTREAL.—While many industrial companies are entering upon what promises to be "lean" years in net profits in a large proportion of cases, the majority of the public utility companies are in the position of having reached a period where costs of operation will gradually decline, and where net profits are likely to show a gradual rise, provided, as also seems pretty well assured, the rates they charge the public are not forced down. This would include street railway companies, telephone and power and lighting concerns.

Restricted Rates, Unrestricted Costs

It is in such a position that Montreal Light, Heat and Power Consolidated now stands. It has just passed through a trying period, which the president, Sir Herbert Holt, described as the result of "restricted rates and unrestricted costs." At the same time the company was able not only to show a substantial gain in gross revenue—from $10,039,272 to $12,748,400—but net revenue was slightly up from $4,637,852 to $4,882,956. After a deduction of fixed charges of $1,078,449, there remained a balance of $3,804,506 to apply to dividends, or 5.9 per cent., compared with $3,605,181, or 5.6 per cent. one year before. As a matter of fact the annual statement covers a period of twenty months as the company's fiscal year in 1919 was changed from April 30 to Dec. 31, so that the figures of the report contain a statement for the eight months remaining of 1919 as well as the twelve months of 1920.

The profit and loss accounts for the year 1920, with the two previous periods of twelve months each, May, 1918-April 30, 1919, and May 1, 1917, to April 30, 1918, compare as follows:

Profit and Loss

	1920	1918-19	1917-18
Gross	$12,748,409	$10,939,272	$10,390,684
Expenses	6,810,286	5,357,492	4,767,867
Net earn.	$ 5,938,123	$ 5,581,780	$ 5,622,817
Deprec.	1,055,166	943,927	1,039,069
Fixed chgs.	1,078,449	1,032,671	995,022
Avl. for div.	$ 3,804,507	$ 3,605,181	$ 3,588,722
Dividends	3,220,739	2,562,291	2,556,025
Surplus	$ 583,768	$ 1,042,890	$ 1,032,698
Pens. Fd.	20,000	20,000	20,000
Surp. for yr.	$ 563,768	$ 1,022,890	$ 1,012,698

The working capital account shows a fair increase from $6,242,052 to $6,824,478, with current assets up $935,000 and liabilities up $353,000 There are no marked changes, as the detailed statements show:

	Dec. 31, 1920	April 30, 1919
Current Assets		
Investments	$4,642,632	$4,643,530
Bills rec.	228,542	308,335
Accounts, rec.	1,532,926	1,021,385
Stores	323,622	381,174
Coal, coke, tar	924,582	364,507
Cash	2,222,234	2,219,988
Total	$9,874,631	$8,938,919
Current Liabilities—		
Accounts pay.	$1,518,634	$ 944,182
Customers' dep.	275,542	144,795
Accr. interest	45,292	323,834
Susp. acct.	673,388	642,795
Div. accrued	537,295	641,261
Total	$3,050,153	$2,696,867
Bal. work. cap.	$6,824,678	$6,242,052

Increase For Gas?

The president in his report, which will come before the shareholders on Feb. 3, declared that in spite of the increased rates for gas granted last April this department still was operated at a loss, disregarding interest on millions of money invested in this branch. He added:

> It may be necessary to further increase gas rates, as has already been done to a marked degree (and in some cases repeatedly) by practically all other gas undertakings throughout Canada and the United States.
>
> Meantime your company enjoys an unrivalled position for minimum rates in respect of both gas and electricity throughout the Continent of America—the more remarkable when it is considered that we are farther afield than others from the source of our raw materials in the United States, involving relatively heavy and constantly increasing transportation costs, also the payment of customs duties and adverse exchange on Canadian currency, to which, of course, similar United States companies are not subject; exchange alone amounted to $273,180.30 for the year.
>
> The policy of your directors in this respect has continued on lines that are recognized as sound and reasonable and in the interests of both shareholders and consumers. The appropriation for the year, amounting to $1,055,166.52, has been credited to depreciation account, and an amount of $1,219,674.45 has been charged to the account to take care of depreciated and discarded plant of our various subsidiary companies, as represented by the securities that we hold in these corporations.
>
> This and other reserves are invested in productive plant, thus being employed as capital on which no dividends or interest charges have to be paid.

21,000 More H.P.

It is noted that the company has been forced, owing to the constantly increasing demand for electricity to instal two additional units of 10,800 h.p. each, which will be completed by the end of the present year and bring Cedar Rapids to 150,000 h.p. capacity.

The increased demand for gas has made it necessary to increase the capacity of the Lasalle gas works by 2,000,000 cubic feet daily. During the year there was expended on maintenance $722,829, bringing along with depreciation reserve the total expenditure on this account to $1,777,996.

TEN-CENT FARE NOW CHARGED IN ST. JOHN

Three Tickets For a Quarter or Fourteen for the Dollar

By Resident Representative.

ST. JOHN.—The new scale of fares on the St. John Street Railway are a ten cents cash fare, three tickets for a quarter, or fourteen tickets for a dollar, with the usual transfers. The company has undertaken to increase its service and is running a car every ten minutes throughout the day on the principal belt line, instead of only during the rush hours as had been the custom of late.

The management say there has been a decrease of traffic during recent months as a result of the general depression. They claim that the increase in fares has not so far had any noticeable effect upon the number of passengers using their lines.

GOVERNMENT PRICE CONTROL A FAILURE

Did Not Have Desired Effect as a Benefit to Newfoundland Fishermen.

By Resident Representative.

HALIFAX.—The price of cured codfish has fallen to $7.50 per quintal to the Lunenburg fishermen, a price little more than half the amount paid by the exporters a year ago. The conditions in Newfoundland affect this market and it is believed that the Government guarantee on fish exports from that colony helped the exporters here, for the buyers in Italy refused to give the amount fixed by Newfoundland and they lost sales which in some cases were picked up by others. The Government guarantee in Newfoundland was 80 shillings per quintal, but one dealer from St. John's sold at 50 shillings in spite of the guarantee. What the Government will do about this has not developed but it appears that the guarantee, so far as export trade is concerned, has been allowed to drop.

The lobster packers of Nova Scotia have on hand a large quantity of their goods which they are selling at a loss. It seems certain that the basis of cost for the lobster pack of 1921 will have to be materially reduced from that of the previous year. Consumers in Europe will not or cannot pay the high prices to which this article of food has risen. The rate of exchange is another adverse factor.

ROYAL LOAN AND SAVINGS

Higher Interest Payments and Taxes Affect Profits

Although the income from investments of the Royal Loan and Savings Company, Brantford, for 1920 was somewhat higher at $170,692 than the $170,115 shown for the previous year, increased charges for interest on debentures and the provision of a reserve of $6,000 for Government income tax were two factors which were largely responsible for the fact that net profits were reduced to $70,807 compared with $80,451 in the previous year. Dividends and reserve took $74,000 and the balance at $8,223 was somewhat reduced. Following are comparative figures for the past three years:

	1920.	1919.	1918.
Net profits	$70,807	$80,451	$76,671
Balance forward	11,416	10,665	5,744
	$82,223	$91,116	$82,415
Dividends	54,000	54,000	48,000
Reserve	20 000	25,000	20,000
Patriotic	....	700	3,750
Balance	8,223	11,416	10,665
	$82,223	$91,116	$82,415

Features of the company's earnings record for the past six years are shown below:

Year.	Paid-up Capital	Profit.	Div.	% on Cap.	Earn. Rate
1920	$600,000	$ 70,807	9	11.8	6.6
1919	600,000	80,451	9	13.4	7.8
1918	600,000	76,671	8	12.7	7.5
1917	600,000	75,487	8	12.5	7.6
1916	600,000	63,957	8	10.6	6.7
1915	586,200	60,490	8	10.3	6.4

A BROMPTON PLANT EARNED $700,000 IN THREE YEARS

Shareholders Hear of Profitable Investment in U.S. Properties

SUFFICIENT LIMITS

To Keep Plants Engaged—As Low Cost as Any—President McCrea's Illuminating Address

By Resident Representative.

MONTREAL.—A pleasant surprise awaited the shareholders of the Brompton Pulp & Paper Company at their annual meeting in receiving from the president, F. N. McCrea, M.P., one of the most lucid and complete expositions of the relation of the company to its subsidiaries, the values of these, the company's position in regard to timber limits and future prospects, as has been presented at any annual meeting of an industrial company for years past. In brief, the position of the company in regard to timber limits, according to the president's statement, is that they are now sufficient to cover all requirements for fifty years or more, and that the company is in a position to earn money in the future if any pulp and paper company can, and that the dividends as now paid can be regarded as safe as any one could figure out.

The information in regard to the Claremont mill across the border meant that during the past three years the net earnings had been sufficient to pay off the difference between the original balance of $864,000 and the balance still remaining, $175,000; namely, $689,000 or an average of $230,000 a year. The $175,000 would be paid off this year out of earnings and a balance would be left for the parent company. This would mean some $900,000 profits at least in four years. The actual cost of this mill to the company was $1,164,000, but this would not be replaced to-day for less than $2,500,000.

The Groveton mill had cost $2,500,000 Jan. 1, 1919. Quick assets and quick liabilities taken over as well amounted to $1,395,003 and $758,673, respectively, leaving a surplus of $636,329. At the present time quick assets amount to $2,217,608 and quick liabilities and reserve for taxes to $1 043,275, leaving surplus quick assets of $1,174,333. Improvements amounting to $632,790 had been made, bringing the total value to $3,670,794. There were outstanding bonds of $1,250,000 (with 18 years to run), and a balance of $400,000 payable on land, or a total of $1,650,000. Set against this were surplus quick assets of $1,174,333, leaving a net balance of debt of less than $500,000. The inventories had been taken at $300,000 less than cost. The replacement value of this plant he placed at $5,000,000.

Both these plants took the pulp of the Brompton and made it up into paper, whereas if the paper had been made in Canada it would be subject to a prohibitive duty on entering the United States. The mills had been closed down for a while, but were now operating to about fifty per cent. of their regular capacity. Repairs and tuning up had increased the efficiency meanwhile by twenty per cent.

For the Brompton plant there had been bought 70 square miles on the Portneuf River at a cost of $70,000, and lately another lot of 634 miles on the Chimoutchouan River. Both limits showed about 95 per cent. of spruce, and were easily accessible.

The Brompton Company must take its chances of prices, but was able to compete with any mill in the country and could stand up under all conditions. Mr. McCrea believed that any decline in the price of products would be offset by reductions in the cost of labor and of materials.

Following the meeting the regular dividend of $1.75 per share was declared, payable Feb. 15 to holders of record Jan. 31.

KAMINISTIQUIA PULP

Capacity operation in connection with the new pulp mills of the Kaministiquia Pulp & Paper Company here was undertaken this week. The slasher mill has been running for a couple of months, and some 1,500 cords of pulp are ready for the grinder mill. It is stated that the company has sold its complete output for six months ahead. Plans are under way for increasing the present capacity of 30 tons per day to 100 tons.

ST. ANDREW'S LIGHT & POWER

The application of the St. Andrews Light and Power Company to issue stock to the amount of $9,900 has been granted by the Public Utility Commission of New Brunswick. The money will be used to supply plant and equipment in connection with their plans to supply electric light and power to the town of St. Andrews.

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WM. A. ROGERS.

Another disbursement of 1¾ per cen on arrears of dividend on Wm A. Ro-ers, Preferred, was arranged last wee payable February 1, to shareholders record, January 24th. Similar actio was taken during December last, a the outstanding arrears now amount 7 per cent. The stock has been co paratively quiet since the New Yea the preferred at the last transactio selling at 85 and the common at 53.

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A block of the new stock of Consumer Gas is being offered by Osler & Ham mond, who say:

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ALGONQUIN PARK IN WINTER

There is an increasing desire among many city people to escape from the cares of housekeeping, and of life in the large centres, and seek the hospitality and good cheer to be found at the resort hotels. The Grand Trunk Railway System is meeting this desire in keeping open its famous hotel in the Algonquin Park of Ontario, "The Highland Inn." This hotel is easily accessible through Ottawa or Toronto, and offers warm, cheery private and public rooms. Excellent cuisine and the companionship of guests who have a common aim—to enjoy the healthful winter sports and invigorating climate that the great unspoiled wilderness of Algonquin Park affords. For rates, etc., apply to N. T. Clarke, manager, Highland Inn, Algonquin Park, Ont., or to any Grand Trunk agent.

WINTER SPORTS—ALGONQUIN PARK

The splendors of winter and the opportunities for the enjoyment of all winter sports are found in that wondrous territory—Algonquin Park. Two hundred miles north of Toronto and one hundred and sixty-nine miles west of Ottawa, it is easy of access. "The Highland Inn," a most comfortable hotel, owned and operated by the Grand Trunk, offers first-class accommodation at reasonable rates. Two thousand feet above sea level assures an invigorating climate. Attractions—snowshoeing, skating, tobogganing, skiing, driving and fishing through the ice. If you are run down or need a change this is the spot for you. An illustrated booklet telling you all about it sent free on request. Apply to Mr. N. T. Clarke, Manager, Highland Inn, Algonquin Park, Ont., or to any Grand Trunk agent.

London advices to the New York Journal of Commerce state that the index number of British commodity prices declined 16.6 points during December, the total at the end of the month showing 207.2, the lowest since July, 1919.

KIRKLAND LAKE NOW HAS PLENTY OF WATER POWER

"Full Steam Ahead" is Now the Slogan at This This Camp

HOLLINGER IS BUSY

Labor Situation in Porcupine is the Best it Has Been in Long Times—Homes for Workers

By Resident Representative.

COBALT. — The Kirkland Lake camp has just received glad tidings which will make the other camps jealous. It is to the effect that there is now sufficient power available for "full steam ahead." The mines have been curtailing to conserve against the threatened shortage, but the reduction has now been made up. This will not only help the mines which were working under a handicap but will aid the Lake Shore and Kirkland Lake gold, who have been using considerable steam power.

The Ontario Kirkland has developed a new shoot of ore on the 450 level. It is not of the average grade but the low values will be made up for by easy handling as it is in soft material.

It is estimated that the Kirkland Lake production will reach the half million mark. It was $300,000 last year.

The labor situation in Porcupine is the best it has been in five years, according to Hollinger officials. The big mine, aided by the use of steam power, is able to handle 2,000 tons a day now. Costs, however, are up a little and for this reason a little better grade of ore is being put through. The Hollinger is said to be planning on spending a quarter million dollars on the erection of houses for workers at Timmins.

The Dominion Reduction is mining a large cobalt vein at the Dominion mine. The vein, which is two feet wide in places, contains an unusually high cobalt content.

Beaver Consolidated may resume work on its property at Elk Lake. An examination of the property is now being made. The Beaver, at one time, took a tonnage of high grade from this property.

Coniagas Distribution

Mining interests got quite a surprise when the Coniagas mine announced the distribution of $600,000, which is 15 per cent. on the capital stock issued, or 75 cents a share. This unusual and belated declaration, is dated back to December of last year, and follows the announcement of the Commissioner of Taxation at Ottawa "That dividends paid exclusively from profits realized before January 1, 1917, may be distributed on or before December 31, 1920, without being subject to Federal income tax," as the notice sent out reads. It then sets out that the Coniagas directors decided to make a distribution out of the accumulated profits of the company realized before the end of the financial year, October 31, 1916.

This disbursement brings the Coniagas total up to date to $10,740,000.

The Coniagas mine is the only one that has taken advantage of the ruling of the Commissioner of Taxation, although several of them are holding large sums in accrued profits.

A Visit to Dome

Directors of the Dome Mine have just concluded a visit to the property and were pleased with the showing being made. The power shortage they found was not any worse than reported and as there are only a couple more months of winter, any serious reverses are not looked for. The Dome has a plant capacity of 40,000 tons monthly and the time when this output can be reached is being looked forward to.

The Kerr Lake has taken the option on the Hargreaves two claims which adjoin its property and will immediately start the extension of its drifts from No. 3 shaft into the Hargreaves, working from the 375 and 425 levels at the same time. The option is a working one, limited in time, and results obtained will decide the future course.

Engineers from Cobalt and Toronto have been sent in to the Goudreau gold property in Algoma with a view of mapping out a development campaign. This property was recently purchased by Major J. H. Rattray, manager of the Camburn Silver Mine, acting for Montreal and New York interests.

The mining interests of the north are insistent in their demand that Premier Drury abandon his scheme to open up 25 miles of the right-of-way for the extension of the T. & N.O. to James Bay from Cochrane.

The annual report of the Lake Shore is about due. The fiscal year ends November 30. The monthly production estimates place the year's output at $484,201.93, which added to 1919, $293,818.18, and 1918, $370,128.41, brings the mine's total to $1,148,148.52.

COMPANY WANTS A RIGHT OF WAY

Interesting Move by Fecunis Mining and Smelting Company at Sudbury

By Resident Representative.

SUDBURY.—Fecunis, Limited, a mining and smelting company, with holdings near here, has taken a new and novel step, in-so-far as private enterprise is concerned, in asking the legislature for power to expropriate land, that it may secure a railway spur into its property. This interesting application will come before the legislature next month in the shape of a private bill.

The Fecunis Company is a United States corporation composed for the most part of big automobile manufacturers and the interesting claim is made that when it gets operations under way, a new steel, superior to anything on the market now, will be produced. This will be achieved by the Burrows process of smelting. The property of the Fecunis Company is on the other side of the Levack property of the Mond Nickel Company.

A NEW MARKET FOR ALBERTA COAL

Important Development of Bunkering Trade at Prince Rupert.

By Resident Representative.

EDMONTON.—A new market for Northern Alberta coal is about to be opened up on the North Pacific coast. The Mines Branch of the Provincial Government has been investigating the possibilities of developing a coal trade between the mines west of Edmonton and the port of Prince Rupert, and negotiations are now pending with the Canadian National Railways for entering that field in the coming spring.

Some shipments have already gone forward to the coast market, but it is said that from 100,000 to 200,000 tons per year could be absorbed by the bunkering trade there if adequate handling facilities were available. The demand would come from the small coasting steamers, the fishery trawlers and the canneries, smelters and other industrial plants along the coast and up the rivers. Supplies for the fuel needs of these industries and for the coaling of the steamboats are now coming from Vancouver Island mines.

ELECTRIFYING OF T. & N. O. PLANNED

George Lee Says Matter is To Be Given Serious Consideration

By Resident Representative.

NORTH BAY.—The question of electrifying the T. & N.O Railway has cropped up again and according to George Lee, the newly appointed chairman of the commission, the matter is to be given serious consideration. Right now there is a move on to shorten the North Bay-Englehart division by moving the Englehart terminal to New Liskeard. Before this expensive move is undertaken, if ever, the question of electrification will be finally settled. Just recently Mr. Lee went north to Englehart to hear the claims of the people of that place for the retention of the terminal. The new chairman says that electrification would do away with the mid-way terminal as the huge electric locomotives would be able to make the trip North Bay to Cochrane and haul trains of fifty cars. The power to run these engines would be developed at the various unused water powers in the north and it is estimated that electrification would cost $10,000,000. The long coal haulage makes steam operation on the T. & N.O. costly.

GRAIN IN STORE

The Dominion Bureau of Statistics reports a decrease in the quantity of grain in store at the different public elevators throughout the country for the week ending January 14 last of 1,578,351 bushels, in wheat, flax and rye, compared with the previous week. Oats indicate an increase of 584,444 bushels, and barley 60,114 bushels.

APPROVE SALE OF GOLDFIELDS, LTD.

With Certain Stipulations—Annual Meeting Postponed a Month

Shareholders of Goldfields, Limited, at a meeting held in Toronto on Saturday last approved the sale with certain stipulations of all the assets of their company to the Canadian Associated Goldfields, Limited, the new company recently formed by the Associated Goldfields Mining Company, Limited. There were two provisos, however, attached to the terms of sale, to the effect that the deal would not be caried out unless the Associated Goldfields Mining Company, Limited, which has $850,000 in cash in its treasury, sold out its assets to the Canadian Associated Goldfields, Limited, thus assuring shareholders of Goldfields, Limited, that the company with which they were joining would have sufficient cash to work on. The second stipulation imposed was that shareholders of Goldfields, Limited, would be allowed full access to all the records and books of the various companies and be entitled to all engineers' reports with a view to determining whether the proposed basis of share for share was a fair one. Sufficient time is to be allowed for the investigation of all the companies, and after this sufficient time for the institution of court proceedings if the shareholders are not satisfied with the proposed merger.

The meeting, which was held behind closed doors, was said to be a stormy one. The general criticism arose out of the past action of the directors in not calling an annual meeting each year, and in not keeping the shareholders acquainted with developments. The general feeling on the part of the shareholders was to the effect that the directors had not given them sufficient information to enable them to pass intelligently on the proposed sale. A. C. McMaster appeared as counsel for the company, and J. Y. Murdoch acted for some of the shareholders, and together they effected a compromise whereby the sale was agreed to with the stipulations outlined above.

The annual meeting of Goldfields, Limited, called for Saturday last, was postponed for a month. The motion for adjournment followed a protest on the part of counsel on behalf of some of the shareholders who claimed that the Companies Act had not been complied with, the financial statement having been sent out to shareholders just four days before the meeting instead of seven as required by the act. Objection to the immediate holding of the meeting was further offered on the ground that the auditors' report, which was mentioned in the financial statement, had not been sent to shareholders at all. The chair was occupied by President A. A. McFall.

WINDSOR HOTEL

A circular is being mailed to shareholders of the Windsor Hotel Company, enclosing a form of option in favor of the Crown Trust Company or its nominee, signed by the directors of the hotel and recommended by them. The option is for the purchase of the shares of the hotel at $175 a share, and is good until noon on Tuesday, February 16, 1921.

Eight million British workmen become automatically insured against unemployment under the Unemployment Insurance Act of 1920, which has just come into operation, according to a London dispatch. This extends to practically all persons in receipt of remuneration not exceeding £250 a year.

MINING STOCK QUOTATIONS

Week ending Jan. 25.

	High	Low	Close	Sales
Adanac	2¼	2	2¼	6600
Apex	2¼	2	2¼	4500
Atlas	16	15½	15½	4000
Bailey	3½	3¼	3⅝	49600
Beaver	38	26	26½	7150
Con. Smelt.	24	18½	19¼	1292
Coniagas	2.00	1.75	1.90	3035
Crown Res.	18	16	18	3400
Dome Ext.	46	..	..	100
Dome Lake	3¼	2¾	3¼	1500
Dome Mines	13.75	13.40	13.50	1615
Gifford	1⅛	..	..	3000
Gold Reef	3½	2¾	2⅞	25700
Hargraves	2½	2	2½	6800
Hillcrest	62	..	..	10
Hollinger	6.40	6.20	6.40	4535
Hunton	9	..	..	3000
Keora	24¼	21	22½	106000
Kirk. Lake	48¾	47	48¾	3700
La Rose	35	32	32	4125
Lake Shore	1.23	1.20	1.23	4100
McKinley	31½	29	29½	2500
McIntyre	1.92	1.85	1.88	7250
Mining Corp.	1.10	1.07	1.09	1250
Moneta	10½	..	..	1000
Newray	5½	5	5	11500
Nipissing	9.00	8.50	8.75	1104
Peter. Lake	11½	10¾	10¾	7600
Porc. Imp.	½	..	..	10000
Porc. Crown	22½	20	20	8400
Preston	3⅛	2½	3⅛	7500
Schumacher	26	22½	23	16000
Teck Hughes	12	10	10	20000
Timiskaming	25	24	24½	5000
Thom. Krist	7⅜	7¼	7⅜	9500
Trethewey	19¾	18½	19½	8300
V. N. T.	22	21	22	13000
West Dome	9¾	8¾	8¾	112800
West Tree	5½	5	5	2500

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THE DOMINION BANK

Proceedings of

The Fiftieth Annual General Meeting of the Shareholders

THE FIFTIETH ANNUAL GENERAL MEETING OF THE DOMINION BANK was held at the Banking House of the Institution, Tornto, on Wednesday, the 26th January, 1921.

Among those present were noticed:

Sir Augustus M. Nanton (Winnipeg); Sir Edmund B. Osler, Leighton McCarthy, K.C.; H. W. Hutchinson (Winnipeg); P. Leadley, T. P. Phelan, E. G. Gooderham, W. T. Kernahan, W. L. Matthews, Sigmund Samuel, S. C. Halligan, J. O. Gadsby, R. S. McLaughlin (Oshawa); H. H. Williams, R. J. Christie, Sir William Mulock, John J. Cook, A. W. Austin, Chas. P. Stuart, N. M. Paterson (Fort William); W. H. Knowlton, Allan McPherson (Longford Mills); W. C. Crowther, Rev. J. dePencier Wright (Kingston); W. Gibson Cassels, S. Jeffrey (Port Perry); A. Monro Grier, K.C.; Jas. Ince, H. E. Phillips, J. H. Paterson, Wm. Logan, J. J. Cawthra, W. M. Stewart, Hon. Thos. Crawford, Jesse Ashbridge, H. W. Fleury (Aurora); W. J. Fleury, R. Mills (Hamilton); Rev. T. W. Paterson, Henry Brock, A. Nordheimer, W. H. Edwards, H. R. Playtner (Preston); A. T. Reid, W. W. Near, Wm. Crocker, V. H. Cawthra, Dr. F. LeM. Grasett, J. P. Bell (Hamilton), D'Arcy Martin, K.C.; E. W. Hamber (Vancouver).

It was moved by Mr. R. J. Christie, seconded by Mr. H. W. Hutchinson, that Sir Edmund B. Osler do take the Chair and that Mr. W. K. Pearce do act as Secretary.

Messrs. Graham Campbell and W. Gibson Cassels were appointed Scrutineers.

The Secretary read the Report of the Directors to the Shareholders, and submitted the Annual Statement of the affairs of the Bank.

TO THE SHAREHOLDERS:

The Directors beg to present the following Statement of the result of the business of the Bank for the year ended 31st December, 1920:

Balance of Profit and Loss Account, 31st December, 1919			$ 495,707.05
Profits for the year, after deducting charges of management and making full provision for bad and doubtful debts		$1,347,011.11	
LESS			
Dominion Government Taxation	$120,000.00		
Provincial Governments Taxation	38,500.00	158,500.00	
			1,188,511.11
			$1,684,218.16
Which amount has been disposed as follows:			
Dividends (quarterly) at Twelve per cent. per annum	$720,000.00		
Bonus, one per cent.	60,000.00		
Total distribution to Shareholders of Thirteen per cent. for the year		$ 780,000.00	
Contribution to Officers' Pension Fund		35,000.00	
		$ 815,000.00	
Written off Bank Premises		200,000.00	
		$1,015,000.00	
Balance of Profit and Loss Account carried forward		669,218.16	
			$1,684,218.16

E. B. OSLER,
President.

C. A. BOGERT,
General Manager.

The financial year which closed 31st December, 1920, was marked by a steady demand for credit and our funds were in consequence continuously employed. We feel that the results, as reflected in the Annual Balance Sheet and Profit and Loss Statement, will be received by the Shareholders with satisfaction.

The Head Office and Branches have been regularly inspected by our Inspection staff during the past twelve months. The Bank's Auditors, Messrs. G. T. Clarkson and R. J. Dilworth, have made the usual examination of the Bank's affairs and their certificate is appended to the Statement submitted herewith.

During 1920 seventeen Branches and three Sub-Branches were opened at points which promised, after careful investigation, that we were warranted in entering the territory. In ONTARIO—Ameliasburg (Sub to Belleville); Hamilton, Gage Ave. Branch, Homeside Branch; Kenilworth (Sub to Mount Forest); New Toronto; Roblin (Sub to Napanee); St. Thomas, East End Branch; Sarnia; Sprucedale; Timmins; Trenton. In MANITOBA—Dauphin; The Pas; Winnipeg, Portage Avenue and Kennedy Street Branch. In ALBERTA—Calgary, Alberta Stock Yards Branch; Edmonton, Edmonton Stock Yards Branch; Tofield. In SASKATCHEWAN—Canora, Yorkton. In BRITISH COLUMBIA—West Summerland. Two Branches were closed—Craven, Sub to Regina, and Petersfield, Sub to Selkirk, Man.

In order to provide for the increased business of some of our long established Branches, several new buildings were completed and occupied during the past twelve months. New quarters have been provided for our Branches at the corner of Queen and Bay Streets, the corner of Dupont and Christie Streets and the corner of Yonge and Hayden Streets, Toronto, and at Orillia, Ont. In addition, suitable offices have been erected for Fairbank, New Toronto and Cherry and Commissioner Streets (Toronto) Branches. Your Directors, as is customary, have made a substantial appropriation for reduction in Bank Premises Account.

Owing to the continued expansion in the Bank's business, your Directors consider it expedient to request your authorization of an increase in the number of members on the Board from thirteen to sixteen members; the relative By-Laws will be submitted for your approval.

Toronto, 26th January, 1921.

E. B. OSLER,
President.

The Report was adopted.

Messrs. Geoffrey T. Clarkson and Robert J. Dilworth, the retiring Auditors, were reappointed for the current year.

The thanks of the Shareholders were tendered to the President, Vice-Presidents and Directors for their services during the year, and to the General Manager and the other Officers of the Bank for the efficient performance of their respective duties.

The following gentlemen were duly elected Directors for the ensuing year: Messrs. A. W. Austin, James Carruthers, R. J. Christie, Sir John C. Eaton, E. W. Hamber, H. W. Hutchinson, W. L. Matthews, R. S. McLaughlin, Sir Augustus M. Nanton, W. W. Near, A. T. Reid, Sir Edmund B. Osler and H. H. Williams.

At a subsequent Meeting of the Directors, Sir Edmund B. Osler was elected President, and Mr. A. W. Austin and Sir Augustus M. Nanton Vice-Presidents, for the ensuing term.

GENERAL STATEMENT

LIABILITIES

Capital Stock paid in			$ 6,000,000.00
Reserve Fund		$ 7,000,000.00	
Balance of Profit and Loss Account carried forward		669,218.16	
Dividend No. 153, payable 3rd January, 1921		180,000.00	
Bonus, one per cent., payable 3rd January, 1921		60,000.00	
Former Dividends unclaimed		921.00	
			7,910,139.16
Total Liabilities to the Shareholders			$ 13,910,139.16
Notes in Circulation		$ 9,159,886.00	
Due to Dominion Government		7,000,000.00	
Deposits not bearing interest	$20,051,816.72		
Deposits bearing interest, including interest accrued to date	84,889,439.45		
		$104,941,256.17	
Balances due to other Banks in Canada		8[illegible],717.59	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		914,116.78	
Bills Payable		67,104.20	
Acceptances under Letters of Credit		1,823,472.17	
Liabilities not included in the foregoing		640,401.08	
Total Public Liabilities			125,352,953.99
			$139,263,093.15

MONEY BANKING AND EXCHANGE

BIG DECLINE IN CURRENT LOANS IN DECEMBER

Effects of Deflation Are Seen in the Bank Statement

IS NOT DRASTIC

Indications That Banks Have Not Been Using Great Pressure and That Process Will Be Continued

The effect of the policy of the banks in contracting current loans and evidence that deflation of commodity values and reduction of stocks of raw materials and finished products is having its effect upon the financial condition of the country are emphatically evidenced in the December bank statement. The reduction during the month was over $56,000,000; in November the contraction was $27,500,000 and in October there was a curtailment of $12,000,000. The result has been a total reduction from the high of $93,500,000. However, the fact that these commercial credits, which in the last report total $1,301,804,302, are still nearly $95,000,000 larger than at the corresponding period a year ago indicates that further contraction is in order and that the banks have been endeavoring to evade pressure which would result in drastic readjustment.

Current loans outside Canada expanded nearly $15,000,000 during December and foreign deposits were increased by $5,000,000. This would seem to indicate continued activities in foreign banking fields. It should be pointed out at the same time that total deposits outside Canada are just about double the $184,000,000 which has been loaned. The reduction of call loans outside Canada by $6,700,000 and the increase of Canadian call loans by $6,200,000 would seem to provide food for reflection on the part of students of the stock markets of Canada and the United States.

Loans on Government securities were cut down comparatively little but advances from the Government were reduced by over $17,000,000, which may be regarded as a healthy sign. At the same time municipal loans were reduced $9,500,000 and holdings of public securities by $5,500,000. A reduction in circulation of $5,500,000, a reduction of Dominion notes held by $13,000,000, and increases of $9,500,000 and $13,000,000 in deposits in banks of the United Kingdom and foreign countries, respectively, are other interesting changes to be noted in the accompanying analysis.

ANALYSIS OF BANK STATEMENT FOR NOVEMBER

ASSETS

Immediately Available Liquid Resources.

	Dec., 1920	Nov., 1920.	Change in month	Dec., 1919	Change in year.
1—Specie	$ 82,687,559	$ 86,721,023	—$ 4,033,464	$ 80,088,103	+$ 2,599,456
2—Dom. notes	177,489,289	190,640,878	— 13,151,598	172,964,172	+ 4,525,108
4—Gold res.	113,352,533	114,902,533	— 1,550,000	125,800,000	— 12,447,467
9—U. K. banks	23,624,878	14,033,092	+ 9,591,786	18,355,211	+ 5,269,667
10—For. banks	82,327,209	69,204,244	+ 13,122,965	60,793,846	+ 21,533,363
11—Gov. secs.	120,489,681	121,250,951	— 761,270	149,780,058	— 29,290,377
15—Call loans ab'd	211,442,652	218,183,194	— 6,740,542	172,232,161	+ 39,210,491
	$ 811,413,792	$ 814,935,915	—$ 3,522,123	$ 780,013,551	+$31,400,241
Loans and Securities Other Than Those of Canadian Government.					
12—Pub. secs.	$ 191,172,317	$ 196,671,950	—$ 5,499,633	$ 255,239,781	—$64,067,464
13—Rly secs.	46,494,937	47,050,105	— 555,168	54,957,659	— 8,462,722
14—Can. call	114,703,246	108,471,340	+ 6,231,906	125,888,760	— 11,185,514
16—Cur. loans	1,301,804,302	1,357,973,118	— 56,168,816	1,207,109,046	+ 94,695,256
17—Loans ab'd	184,540,423	169,677,657	+ 14,862,766	168,954,696	+ 15,585,727
19—Prov. loans	12,540,917	10,571,815	+ 1,969,102	15,187,626	— 2,646,709
20—Municipal	55,973,926	65,487,171	— 9,513,245	42,635,290	+ 13,338,636
	$1,907,230,068	$1,955,903,156	—$ 48,673,088	$1,869,972,858	+$37,257,210
Other Assets.					
21—Over. debts	$ 6,636,172	$ 4,961,520	+$ 1,674,652	$ 4,527,796	+$ 2,108,376
22—Real estate	4,323,027	4,282,681	+ 40,346	5,596,930	— 1,273,903
23—Mortgages	2,663,821	2,693,896	— 30,075	2,505,401	+ 158,420
24—Premises	60,376,915	60,467,669	— 90,754	53,944,018	+ 6,432,897
25 Lets of cred.	43,751,294	48,763,093	— 5,011,799	51,189,148	— 7,437,854
26—Other assets	3,664,467	3,121,701	+ 542,766	3,582,918	+ 81,549
	$ 121,415,696	$ 124,290,560	—$ 2,874,864	$ 121,346,211	+$ 69,485
Total	$2,840,059,556	$2,895,129,631	—$ 55,070,075	$2,771,332,620	+$68,726,936
3—Note cir dep.	$ 6,301,983	$ 6,293,933	+ 8,050	5,946,589	+ 355,394
5-8—Int. bk bal.	210,617,950	215,472,787	— 4,854,837	188,094,466	+ 22,523,484
Gross	$3,056,979,489	$3,116,896,351	—$ 59,916,862	$2,965,373,675	+$91,605,814
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
1—Circulation	$ 228,758,587	$ 234,339,923	—$ 5,581,336	$ 232,486,734	—$ 3,728,147
2—Dom. Govt.	118,984,574	136,192,726	— 17,208,152	224,926,921	— 105,942,347
5—Prov. Govt.	19,004,286	18,534,080	+ 470,206	19,032,841	— 28,555
Deposits by Public					
4—Dom. dep.	$ 657,496,742	$ 686,754,094	—$ 29,257,352	$ 703,392,204	—$ 45,895,462
5—Savings	1,293,007,488	1,292,009,008	+ 998,480	1,138,086,691	+ 154,920,797
Total	$1,950,504,230	$1,978,763,102	—$ 28,258,872	$1,841,478,895	+$109,025,335
6—For dep.	356,771,009	351,780,924	+ 4,990,085	275,342,645	+ 81,428,364
Due to Banks Abroad, Etc.					
9—U. Kingdom	$ 3,900,624	$ 5,475,760	—$ 1,575,136	$ 5,487,097	—$ 1,586,473
10—Foreign	29,218,339	35,220,324	— 6,001,985	33,913,339	— 4,695,000
11—Bills pay.	10,414,778	9,796,509	+ 618,269	6,381,591	+ 4,033,187
12—Acceptances	43,751,294	48,763,093	— 5,011,799	51,188,148	— 7,436,854
13—Other liab.	3,430,744	4,705,644	— 1,274,900	3,008,548	+ 422,196
Pub. liab.	$2,764,738,465	$2,823,572,085	—$ 58,833,620	$2,693,246,759	+$ 71,491,706
8—Due bet. bks.	13,570,082	12,006,703	+ 1,563,379	13,469,159	+ 100,923
Gross	$2,778,308,547	$2,835,578,788	—$ 57,270,241	$2,706,715,918	+$ 71,592,629

THE DOMINION BANK—*Continued*

ASSETS

Gold and Silver Coin	$ 2,092,477.15	
Dominion Government Notes	18,052,783.25	
Deposit with Central Gold Reserves	4,000,000.00	
Notes of other Banks	1,104,306.27	
Cheques on other Banks	7,530,033.85	
Balances due by other Banks in Canada	1,005.25	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	1,881,011.95	
	$ 34,661,617.72	
Dominion and Provincial Government Securities, not exceeding market value	5,106,158.31	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	9,956,980.78	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	1,810,680.54	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	7,646,420.30	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	5,139,899.60	
		$ 64,321,757.25
Other Current Loans and Discounts in Canada (less rebate of interest)	$ 66,216,946.21	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	523,395.60	
Liabilities of Customers under Letters of Credit, as per contra	1,823,472.17	
Real Estate other than Bank Premises	5,408.76	
Overdue Debts (estimated loss provided for)	80,913.40	
Bank Premises, at not more than cost, less amounts written off	5,631,453.88	
Deposit with the Minister of Finance for the purposes of the Circulation Fund	309,575.00	
Mortgages on Real Estate sold	19,326.41	
Other Assets not included in the foregoing	330,844.52	
		74,941,335.90
		$139,263,093.15

E. B. OSLER,
President.

C. A. BOGERT,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of The Dominion Bank, and the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on December 31st, 1920, we certify that, in our opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us at another time during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON,
R. J. DILWORTH,
(Of Clarkson, Gordon & Dilworth, C.A.)

Toronto, January 20th, 1921.

STERLING CONTINUES TO ADVANCE UPWARD

Continental Exchanges Distinctly Firmer—New York Funds Weaker

The strength displayed by European exchanges during the week provided the sensation of the exchange markets. Sterling pursued a vigorous forward movement throughout the week, and advanced from $3.77 at the opening to $3.83½ at the close, being the highest since July last, and 30 points above the quotation at the end of the year. Francs were firmer throughout the week, although a mild reaction developed at the close. The action of the European exchange market is attributed largely to the influence of speculative forces which are at work on the side of advancing rate. There is little doubt that the movement has been stimulated by the international situation, and the hope of a favorable outcome of the approaching Paris conference.

New York funds also reacted in sympathy with the strength displayed by the continental exchanges, the premium moving down from 13 15-16 at the beginning of the week to 11½ at the close. The following are the fluctuations:

New York Funds

Jan. 20.—New York funds opened at 13 15-16 asked, sales at 13⅝, 13 15-16 and 13⅞.

Jan. 21.—Funds fairly steady, sales at 13⅞ and 13⅝.

Jan. 22.—Opened at 13⅝ offered, sales at 13½, 13 9-16 and 13½.

Jan. 24.—Opened unchanged at 13½, sold down to 13¼, 13⅜ and 13¼.

Jan. 25 — New York funds suffered further reaction. Market opened at 13 sales at 12⅞, 12¾, 12 15-16, 13, closed at 12 15-16.

Jan. 26.—Opened at 12 15-16, sales at 12 9-16, 12 1-16, 12, closing at 11½.

Sterling and Francs

	Sterling		Francs	
	Demand	Cables	Demand	Cables
Jan. 20	$3.77	$3.77¾	15.25	15.23
Jan. 21	3.77	3.77⅝	15.66	15.64
Jan. 22	3.76½	3.77¼	14.31	14.29
Jan. 24	3.78½	3.79¼	13.95	13.93
Jan. 25	3.79¾	3.80½	13.73	13.71
Jan. 26	3.83½	3.84¼	14.12	14.10

HOME

The sub-branch of the Home Bank of Canada in East London, Ont., has been established as a regular branch, giving a daily service from the 18th. L. D. Nolan is in charge.

DOMINION

The Dominion Bank announces the opening of a branch, to be known as East Danforth branch, Toronto, with temporary premises at the corner of Danforth and Byng Avenues.

MONTREAL

A branch of the Bank of Montreal was opened at the corner of Walker Road and Ottawa Street, Walkerville Ont., to be known as the Main Walkerville Office, under the management of R. S. Morphy. The present office will be continued and will be known as "Devonshire Road Branch," in charge of D. O. Atkinson as sub-manager, under the supervision of Mr. Morphy.

NOVA SCOTIA

Andrew Forsythe, who has been transferred to St. John's, Newfoundland, as manager of the Bank of Nova Scotia has been succeeded at Sussex by Mr Roy, former manager at Kentville, N.S. James Brydon, of St. George, N.B., has been transferred to Kentville, and H. H. Burton of Chipman, becomes manager at St. George.

S. B. Mastin, manager of the Stratford branch of the Royal Bank, has been appointed manager of the Yonge and College Streets, Toronto, branch.

HAMILTON

The Bank of Hamilton announces the appointment of three new directors to its board. The new members are Howard S. Ambrose, president and general manager of the Tuckett Tobacco Company, Allan V. Young, president of the Hamilton Cotton Company, and W. P. Riley of Winnipeg. Mr. Riley is president and general manager of Western Grocers, a director of the Monarch Life Insurance, and of the Equitable Trust Company, and vice-president of the Dominion Loan Securities Company of Winnipeg.

COMMERCE

F. S. Stevens and W. S. Bogue, of the Victoria branch of the Bank of Commerce, have been transferred to Mexico City and New York respectively.

G. A. Stubbins, accountant at Lloydminster, Sask., has been transferred to the Shaunavon branch, and is succeeded at Lloydminster by A. T. W. Tanner, of the Wilcox, Sask., branch.

D. G. Kennedy, who recently returned to Halifax from the outposts of Newfoundland, has been moved to Ontario and promoted to the management of the Sault Ste. Marie branch.

C. E. Stock, of the Guelph branch, has been transferred to the Walkerton branch.

J. I. Coll, of St. John, N.B., has been transferred to the Halifax branch.

The board of directors of the Bank of Commerce at their meeting held 21st January declared a dividend of 3 per cent. for the quarter ending 28th February, payable on 1st March to shareholders of record of 13th February.

Previous to leaving Cayuga, J. C. Munro, for five years manager of the Bank of Commerce at that point, but recently promoted to the position of assistant inspector of the bank for Ontario, was tendered a banquet by his friends. After the banquet Mr. Munro was presented with a handsome club bag.

CANADIAN BANKS PROVE SOUNDNESS IN TRYING PERIOD

Handle Finances of Country With No Serious Disturbances

SYSTEM UPHELD

President of Bankers' Association Says Local Banks Cannot Carry on During Times of Stress

The efficiency of the Canadian banking system was clearly demonstrated in the manner in which the finances of this country were handled during a most trying period, and with practically no serious disturbances, declared General Manager C. A. Bogert, president of the Canadian Bankers' Association, at the annual meeting of the Dominion Bank, of which bank he is president, in Toronto this week. Those who favored the local or provincial banks, he declared, would do well to take a lesson from the conditions which had arisen in some of the border states. Bank failures had been numerous and it has been demonstrated that institutions with small capital and operating in restricted areas could not possibly carry on during times of stress, when by reason of territorial restrictions they were forced to employ their earning power in the same districts in which it was obtained.

Notwithstanding the scarcity of money, he pointed out, advances by Canadian banks to borrowers in the Provinces of Alberta, Saskatchewan and Manitoba alone increased by $90,000,000 in 1920 as compared with the previous year. This is a striking illustration of the soundness and elasticity of the Canadian banking system, under which the banks dealt successfully with a situation which could not possibly have been handled by local banking corporations.

Discussing agricultural matters Mr. Bogert stated that it was vexatious and discouraging to find that largely from political causes embargoes against shipments of livestock and certain products to the United States were threatened. Such a policy from our neighbors to the south he considered ill-advised, and could only result in a certain and heavy decrease in our own purchases in the United States. Another cause of general irritation amongst Canadian business men, and perhaps more justified, was the continuance of Great Britain's embargo against the importation of Canadian cattle, notwithstanding an intimation from the British authorities that it would be discontinued when the war was over.

Referring to business conditions he stated that while many Canadians had been prepared for the sudden drop in prices in 1920, a large percentage was unprepared. Fortunately in practically every line of business substantial profits had been made during the past three or four years, otherwise the situation would have been far more serious. As it was profits would in many cases disappear, and inroads would be made on capital. The present year would bring many commercial complications, he added, but in so far as the commercial loans of the Dominion Bank were concerned he felt that they were of an exceptionally good class, and that the majority of borrowers were in a position to stand any reverses that might arise through shrinkage of values of commodities.

Weekly Bank Clearings

(In comparison with same week last year)

(Eastern Cities)

	Jan. 20, 1921.	Change	[illegible]
Toronto	$ 94,509,046	—$ 5,009,445	[illegible]
Montreal	109,509,216	— 34,183,818	[illegible]
Ottawa	8,875,262	+ 116,138	[illegible]
Hamilton	6,359,827	— 422,323	[illegible]
Quebec	6,392,024	+ 157,425	[illegible]
Halifax	3,736,287	— 567,542	[illegible]
London	3,181,235	— 208,081	[illegible]
St. John	2,750,996	— 703,547	[illegible]
Windsor	2,776,438	+ 32,045	[illegible]
Brantford	1,187,056	— 182,268	[illegible]
Kitchener	856,446	— 490,270	[illegible]
Sherbrooke	981,399	— 202,897	[illegible]
Peterboro'	852,807	+ 88,853	[illegible]
Total East	$241,968,039	—$41,575,189	[illegible]
Moncton	1,025,722		

(Western Cities)

	Jan. 20, 1921.	Change	[illegible]
Winnipeg	$ 53,000,200	+$ 7,633,289	[illegible]
Vancouver	14,139,868	— 793,975	[illegible]
Calgary	7,398,523	— 1,247,988	[illegible]
Edmonton	5,136,860	+ 164,856	[illegible]
Regina	3,796,185	+ 322,144	[illegible]
Victoria	2,765,805	+ 267,143	[illegible]
Saskatoon	1,962,931	— 86,227	[illegible]
Moose Jaw	1,457,804	— 94,581	[illegible]
Ft. William	946,066	— 94,526	[illegible]
Brandon	733,528	+ 43,102	[illegible]
Lethbridge	674,353	— 60,366	[illegible]
New Westminster	538,836	+ 19,049	[illegible]
Medicine Hat	479,307	— 48,114	[illegible]
Prince Albert	368,477	— 132,756	[illegible]
Total West	$ 93,399,743	+$ 6,063,[illegible]	[illegible]
Gr. total	$335,867,782	—$35,511,891	[illegible]
Yr. to date	$1,066,333,438	+$21,891,878	[illegible]

NEWS AND VIEWS FOR MANAGERS

WOULD CROWD FOREIGN BANKS OUT OF FRANCE

That Would Seem To Be Object of New Taxation Measures

CANADIAN INTEREST

At Least Four Canadian Financial Institutions Have an Immediate Concern in the New Proposals

At least four of our Canadian banking institutions have an immediate concern in the reports from abroad this week to the effect that the finance committee of the French Chamber is studying a new measure for additional taxes on foreign banks operating in France, which forbids such banks to receive deposits or to take part in any operation relative to foreign issues other than those concerning their own nationals, without government authority given by decree.

La Banque Nationale has had a branch of its own in Paris since pre-war days, and in 1920 further extended to Marseilles, France. Immediately following the signing of the armistice the Bank of Montreal and the Royal Bank of Canada established their own offices in Paris. In November, 1919, was opened the Paris office of the Park-Union Foreign Banking Corporation, a subsidiary of the Union Bank of Canada.

The measure now before the French Chamber of Deputies virtually excludes foreign banks from France. The measure contains the following provisions:

"Foreign banks, installed in France shall be subject, in addition to other taxation, to a special tax of one franc per thousand on their capital and reserves and supplementary tax of two francs per thousand on all business of any kind done by them in France.

"Foreign banks, installed in France shall be forbidden to receive deposits or take part in any operation relative to foreign issues other than those concerning their own nationals without Governmental authorization given by decree."

According to the week's cables, in the preamble to the bill, which is a savage attack on foreign banks and their "shady manoeuvres," its sponsor makes it clear that his purpose is, indeed, to make their continued existence in France impossible. Since the war the number of foreign banks in France, especially American, British and South American, greatly increased and the impression has spread among a section of the press and public unfamiliar with economics that they are in some mysterious way responsible for the fall in French exchange. This, however is the first occasion that a deputy put his ignorance on record in the form of a proposed law.

Retaliation on United States

The New York Times expresses the opinion that the French scheme is designed partly at least to retaliate against the New York State banking laws, which, as has been frequently pointed out in THE FINANCIAL POST, withhold from agencies of foreign banks—including the agencies in New York city of Canadian banks—the right to receive deposits.

Italy has retaliated against the United States, and now it would appear France purposes to do likewise.

This "radicalism" toward foreign banks in France is strikingly similar to the recent taxation proposals of Spain, of which, however, nothing has lately been heard. The French proposals came at a moment when Canadian bankers are giving further serious attention upon the foreign field in the firm belief that Canadian banking must extend abroad for the profitable development of Canadian trade. Just before the close of the year, Sir Vincent Meredith, Bart., presiding at the Bank of Montreal meeting, expressed the conviction that a foreign trading corporation to finance Canadian foreign trade was essential. Sir Vincent Meredith is one Canadian banker who disapproves the policy of establishing foreign branches, preferring that the Bank of Montreal be represented abroad by foreign correspondents or domestic banks already established.

Bank of Montreal's Policy

On the other hand, Edson L. Pease, vice-president and managing director of the Royal Bank of Canada, which has made extensive progress abroad, took occasion at the annual meeting the other day "again to put on record my view as to the advantage of conducting foreign business, where possible, through the medium of our own branches rather than through affiliations with other banks which we do not control." Mr. Pease further added: "It is only through its own branches that a bank can keep in close touch with its customers and give efficient personal service." Supporting his argument that the expansion of a bank abroad does not mean a drain on the main or Canadian end of the organization, Mr. Pease submits the figures of the Royal's loans on November 30 last. Foreign deposits were then $164,000,000 or $62,000,000 greater than the Royal's foreign loans.

Sir Vincent's pronouncement against foreign branches would seem inconsistent in view of the Bank of Montreal's establishment in Paris were it not for the explanation which he gave to the shareholders at the time of the opening of the branch. In view of the present agitation against foreign banks in France, Sir Vincent's explanation takes on an added interest for it reveals that the branch was started primarily as an accommodation to Canadians travelling or temporarily resident in France rather than as a business-getter.

The reason for the Bank of Montreal setting up in Paris may best be explained in the president's own words:

"Following the policy of many English banks we have deemed it prudent to refrain from establishing branches at points far afield where Canadian capital would be required in local and possibly competitive industries, preferring rather to strengthen and extend our relations with foreign banking houses and to retain their good-will, thereby conserving our resources for the assistance and encouragement of home trade. In this connection it may be well to mention that we propose presently to establish an agency of the Bank in Paris, not for the purpose of loaning Canadian funds, but to supply necessary banking facilities to Canadians travelling abroad and to further the interests of Canada generally in France."

If other countries become as radical as France and Spain have toward the aggressions of foreign banks, the effect very probably will be to deter Canadian banking extensions abroad.

MR. BOGERT AND THE RURAL CREDITS

Checks Up Mr. Proutt Regarding Relations of the Association and the Banks

George Proutt, ex-member of the Manitoba Legislature, who is known as the "father" of the Rural Credits Association of that province, has recently been telling in the East of the "success" of the venture. Regarding the relations of the association with the banks—relations which have to a large extent been severed because of different opinions as to the interest rate to be paid for funds—he has been checked up by C. A. Bogert, president of the Canadian Bankers' Association. Mr. Bogert calls attention to Mr. Proutt's statement that "the banks refused to grant the loans at 7 per cent. but that the Government now was operating the Act and financing the loans successfully" and continues:

The facts are that under the Rural Credits Act of Manitoba members of Rural Credit societies are to obtain loans from the banks, if the banks see fit to lend, at a 7 per cent. interest rate, but the banks are, by the Act, obliged to return one-seventh of the interest collected to the society of which the borrower is a member, the net rate to the lending bank being thus 6 per cent., per annum, not 7 per cent. as your report would indicate.

For three years, beginning with 1917, the banks, being anxious to assist in the movement, made loans on this basis though objecting to the rate received for money lent being fixed by statute at 6 per cent. In 1920, when even Provincial Government credit for public loans was on a higher basis than 6 per cent., the banks again objected to the fixed statutory 6 per cent. rate, but said they would lend again to members of the Rural Credit societies during 1920 on the 6 per cent. return to them, if the Government would undertake to repeal the clause in the Act fixing the net rate to the banks at 6 per cent., thus leaving the rate for the future, as in all other lending transactions, to be settled from time to time at what the fair value of money might be. This the Government refused to do, and instead passed legislation enabling the Government to take money on deposit for the purpose of financing the members of the Rural Credit societies.

MERCHANTS

The Merchants Bank announces the following appointments of accountants: G. H. Baker at Tisdale, C. B. Clark at Drumheller, C. D. Compton at Alliance, H. M. Orr at Donalda, and W. F. Penney at Castor.

A sub-agency at Barry's Bay has been opened by the Merchants Bank at Madawaska, Ont.

HAMILTON

Shareholders of the Bank of Hamilton will share in a dividend disbursement for the current quarter of 3 per cent., together with a bonus of one-half of one per cent. on the paid-up capital for the three months ending February 28 next, when the bank's fiscal year ends. Both will be payable to shareholders of record at the close of business on February 15. This makes a total distribution of 13 per cent. for the financial year.

BRANCH SYSTEM HELPS TIDE OVER PRESENT CRISIS

Business Has Been Stabilized as Compared With Other Countries

THE REASON WHY

Credit Has Been Controlled to Meet Developments Instead Of Advancing the Price Of Money

Information which THE FINANCIAL POST has gathered from bank managers throughout the country and from other commercial and industrial sources both in Canada and other countries indicates that in a general way the retail trades have not as yet brought their prices down to a satisfactory level and that the process of deflation will be carried further in many lines. There are of course many exceptions—for there has been no general policy. Some commodities, like sugar and leather, went down very rapidly. In many communities the retailers have been more prompt than in others to recognize conditions.

It is a situation which demands the close attention of the bank manager. Generally speaking, stocks in retailers' hand do not appear to be abnormally heavy and the indications are that failures will not be anything like as numerous as might be expected during the reaction from such a period of deflation as has been experienced during the past few years. But replacement value of stocks rather than invoice price must be considered in fixing the credit position of the retailer. And that should be the basis of the price to the consumer. Of course it is not easy to fix replacement value because there are already many lines in which it would seem that the bottom has been reached and which may be bought freely, while in many others further reductions must be anticipated, and buying should be on the basis of early consumption only.

Canada seems to be passing through the readjustment as well if not better than any other country which took an important part in the war. The bank statement shows that commercial loans are being brought down gradually.

The policy of the banks has been to bring about a gradual readjustment rather than drastic deflation. This policy has undoubtedly been an important factor in avoiding anything like a collapse. That the banks were able to do so is being regarded by financiers as a tribute to the Canadian branch bank system, which has long been regarded as equal to any in the world.

Controlling the Situation

"Of course we hear a lot of criticism of the branch bank system," a business man said to me the other day, "but the very points which are generally regarded as weak during a period of prosperity are the strongest during a period like this."

"Look at the situation," he continued. "Here we have a system of branches all over Canada. They are not influenced by local conditions alone in their policy. Credits in one part of Canada have a bearing on credits in another part of the country banks, the majority of which have and close touch is kept with world conditions. This is the branch bank system."

"Now with unit banks," he went on, "the tendency is to let local conditions dominate, and the banks compete closely for business."

"The result as I see it," he concluded, "is that under the unit system the demand for money is run up under prosperous conditions locally. Each bank wants business regardless of the larger situation in the country and in the world. Money like everything else gets expensive and perhaps too expensive for the purposes for which it is being used, all things considered. In Canada, on the other hand, the banks control the situation by their judgment of all factors and all conditions and not by competitive business rates. With this control they can foresee a reaction and act together to curtail credits, not by putting up rates but by a concerted policy which keeps in view all the needs of business throughout the country and all sources of possible supply of capital."

These are points for the branch bank system which the manager should consider at this time. They will help him to put up some convincing arguments to those who have in the past been critical of the banks when they have not been given all the credit they thought good for their own individual ventures.—J. W. T.

BANKER HONORED

Alberta Pioneer Moved to Head Office of Bank of Commerce

By Resident Representative.

EDMONTON.—T. M. Turnbull, for eighteen years manager of the Canadian Bank of Commerce in this city, was banqueted at the Edmonton Club by the managers of the other local banks on his leaving for Toronto, where he will join the head office staff of the Commerce. As one of the pioneers in Northern Alberta banking, Mr. Turnbull has held a prominent place in business circles here, and his fellow managers bore generous witness to his worth as a banker and citizen. In his new work in Toronto he will be in charge of the securities branch, which the Bank of Commerce is opening up with the intention of making it an important part of its service.

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MONTREAL LONDON HAMILTON KITCHENER
BRANTFORD SARNIA WINDSOR

"My Confession of Faith"
By T. A. CRERAR

The Hon. T. A. Crerar has been called the "Hired Man's Hero" by J. K. Munro. Since this phrase was first coined by Mr. Munro, the leader of the Farmers' party has advanced with huge strides. He is now the acknowledged leader of the National Progressive Party and, as such, is outlining in the February 1st issue of MACLEAN'S MAGAZINE what the farmers would do, if in power, in regard to our "Painful Railway Problem"; the existing tariff system; our relationship with the Mother Country, and the other parts of the British Empire; reformation (drastically) of the Senate; government by "class"; and other matters of vital moment. He says:—

> "It was impossible that Canada, which has played so active and glorious a part in the Great War, could remain immune from the universal consequences and not provide, in common with many other countries, marked evidence of a new political consciousness."

If the farmers become our governors, Mr. Crerar is likely to be our Premier—then, if you read his article in this issue of MACLEAN'S, you will realize what kind of government you will get under an agrarian administration.

Other Big Feature Articles

"Girding for the Federal Fray" —*By* J. K. Munro
"That Wife of Duncan's" —*By* Charles G. Booth
"Fusing Babel's Brood" —*By* Charles Christopher Jenkins
"Iliad of the Oyster" —*By* Don Marquis
"Miracle Man—and Others" —*By* Col. George Ham
"The Big Time Man" —*By* C. W. Stephens
"The City of Peril" —*By* Arthur Stringer

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"CANADA'S NATIONAL MAGAZINE"
FEBRUARY 1st ISSUE On All News-stands 20c

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TORONTO, JANUARY 28, 1921

BROADMINDED WESTERNERS

REFERRING to the visit of the Canadian Manufacturers' Association to Western Canada last summer, G. R. Marnoch, president of the Lethbridge Board of Trade, in his annual report, expresses the opinion that such visits have considerable educational value. He regrets that "opportunity has not yet been afforded for a corresponding visit by western farmers and business men to look around the great industrial and manufacturing establishments in Eastern Canada."

This is the spirit of broadminded Westerners. They appreciate, as do the business and industrial leaders of the East, that better and closer relations will result in mutual advantages. But some politicians think—or rather act—differently. The leaders of the Farmers' political movement in the West are working on prejudice and ignorance to undermine the cause of protection by misrepresenting the wealth and profits of the manufacturers. And the manufacturers have done little or nothing to remove this false impression by showing that industrial prosperity for Canada is in the interests of all classes. In fighting this campaign by boycotting the advertising columns of the Western farmer press they are merely fanning the flames of prejudice.

Members of the Canadian Manufacturers' Association collectively and individually, should take every opportunity to visit Western Canada, not only to make themselves better understood but that they themselves might better understand the problems of the West. And on the other hand it is to be hoped with Mr. Marnoch that a visit of Western farmers to the industrial centres of the East will be arranged in the not distant future. Intelligent, informative publicity would also help to bring East and West together.

TRANSPORTATION IN ONTARIO

SHOULD the Sutherland Commission report unfavorably on the Beck scheme of radial railways it need not necessarily mean that Ontario should go without improved transportation facilities. Nor does it mean that an electric service should not be considered. There would be two points first to be decided. In the first place that the Chippawa Power scheme will develop a substantial volume of power at a fair market value. In the second place that some other project of electrification can be worked out on a sound business basis. And even should the Chippawa scheme be a failure there is no reason why power development in the province should stop when there are some 6,000,000 potential horsepower awaiting the investment of capital and several big projects have already been mooted.

The electrification of existing steam roads has already been referred to. The National lines and the T. & N. O. have been mentioned. But it has been suggested that the government lines be turned over to the Hydro rather than that the Hydro should sell power—if available—to the Canadian National or the government. Such a suggestion will not appeal to business men with any understanding of the necessity for efficiency in operation and the necessity of experience and organisation in the administration of a transportation system. Thus apart altogether from the question of the through haul, it would not be logical to establish in one province an individual system of operation for a national system. If the present roads are to be electrified the Hydro should sell power to them. This would not necessarily apply only to the National lines but to the Canadian Pacific as well if that road were in the market for power. These two national systems would then continue to operate in that competition which will insure efficient service.

In brief the plan would be to use Hydro power, if available on a basis to reduce operating costs, to electrify the present steam lines and to provide improved local services on established rights-of-way at a minimum cost. But it would, of course, be subservient to other practical industrial, agricultural and domestic needs.

A GOVERNMENT OR A PARTY

PREMIER DRURY, head of the U.F.O. Government, and J. J. Morrison, leading spirit of the U. F. O. movement, have been settling some differences. The opening of the provincial parliament was preceded by an understanding that if not exactly a peace was at least an impressive truce. The private nature of the councils of war of the U. F. O. executive curbed a well sharpened inquisitiveness on the part of politicians and public. However, we would be inclined to guess that Mr. Morrison came more than half way in the negotiations.

The issue between the leader of the government and the head of the organisation which put him there had many points of interest. Both men have made a success of their jobs. Mr. Morrison has built up the U. F. O. by making it a narrow class organisation. Premier Drury has made the U. F. O. Government a success in Ontario and an example to Canada by making it a government for the people rather than for one class in the community.

The two leaders were not necessarily very far apart—perhaps not nearly so far as the deadlock indicated. The one recognises first his responsibility to his organisation. The other has broadened out and assumed his responsibilities as the head of the government of all classes.

When Premier Drury was elevated to that position The FINANCIAL POST expressed confidence that he would recognize the responsibilities involved. Further the opinion was voiced that the men who formed the party would give careful and sane administration in a very unsettled period. It was pointed out that they were men of property—not Bolshevists—and that the majority had developed conservative business ability in handling their own affairs. There has been nothing which would do anything but strengthen these opinions.

And so long as the people are not misled as to the issue they are to be reasonably trusted with their ballots. Of course there will always be party or factional interests but so long as the dangerous radical elements are held in check a representative government must in the larger sense serve the best interests of the great majority of the people. Otherwise it cannot hope to survive. The sane leaders in the Labor and Farm movements are entitled to a measure of confidence. It is the political adventurers who seek to win votes by rousing the prejudices of the people who are to be feared.

AMERICANS HEAR OF THE C.P.R.

E. W. BEATTY has effectively told the American people—in an address before the Canadian Club of New York—something of the services which the Canadian Pacific has rendered, not so much as a great transportation enterprise, but as a factor in helping to win the war by the moving of troops, the making of munitions, the loaning of money, and in many other practical and effective ways. These things, he emphasized, "show in a concrete way that a private enterprise, properly and honestly administered, may be a private enterprise and still be useful."

This is the keynote of the policy of the C.P.R. and of other big corporations—efficient service, effectively rendered at a reasonable price. And it is the men of the Beatty type who are helping to make the people see that well conducted private enterprise renders such service.

The Canadian Pacific's war record stands out as compared with records of American railroads, which, without such extensive facilities, were prevented from exercising their initiative and enterprise, first by government regulation and then by direct government interference. Mr.Beatty hinted that his company was proud of its showing, but added that if there was something that Americans could learn from Canadians there was also much that Canadians could learn from Americans in their achievements in agriculture, in industry and in finance, as well as in the arts and sciences. He referred to the debt of the C.P.R. to "those who came to its service from the United States in the early days and who decided to stay with us—men such as Sir William Van Horne, Lord Shaughnessy, Mr. I. G. Ogden, our financial vice-president; Mr. G. M. Bosworth, chairman of the Canadian Pacific Ocean Services, and many others."

EDITORIAL NOTES

GREAT BRITAIN has a million unemployed. A million and a half saw the Christmas week-end football matches. Some of them must have gone twice.

* * *

FOLLOWING the recent proceedings before the Hydro Radial inquiry there is a faint glimmer of doubt noticeable on the editorial countenances of some of the Toronto daily newspapers.

* * *

FOLLOWING the oil strike at Fort Norman there is a lot of talk of nationalization. But how many years would we have had to wait for the strike had we left it to the government to make it?

* * *

IN WITHHOLDING the natural resources from the prairie provinces the Dominion Government declares Bram Thompson, editor of The Canadian Law Times, "guilty of a perfidious betrayal of trust."

* * *

THAT OF all the business failures in 1920 84 per cent. were of firms that did not advertise their wares has been discovered by one of the greatest financial agencies in America according to the New York Sun.

* * *

HERE IN this Bell Telephone rate inquiry we again find a big array of legal talent and a long drawn out debate on technicalities. What the business community and the telephone using public generally wants to know is what the service costs and what is a fair price to pay for it. That, as we see it, is a question for business men and not lawyers to decide.

* * *

THE rights of the American private power companies at Niagara Falls have received more consideration at Washington than was the case a few years ago with the Ontario companies at Queen's Park. As pointed out in another column in this issue the lesson has been learned in the United States that if there is to be efficient development of water powers it must be through the encouragement of private enterprise and the respect of private capital.

* * *

WHILE the spirit which has led Toronto to devote $500,000 to the relief of the unemployed and to continue expenditures at the rate of $6,000 per day is perhaps worthy of commendation, it seems to be overlooked that this money is coming from the pockets of the ratepayers. The public interest demands that great care should be exercised to see that every case is worthy. Meal tickets should not be issued at public expense to catch votes in the next municipal election.

Time Charts vs. Good Cheer, or Humanism in Management

Changing From Figures to Feelings in Industrial Control After Lessons Over a Period of Twenty Years.

By PROF. JOHN R. COMMONS, University of Wisconsin.
Being eleventh of a series being run by special arrangement with "The Independent," New York.

THE American business man is usually thought of as hard-headed, intensely practical and unsentimental. As a matter of fact he is probably ruled by sentiment even by religion, to a greater extent than we know.

Witness the Link-Belt Company of Philadelphia, Chicago, and Indianapolis, where there has been a conscious development from pure scientific management to humanism in management; from figures to feelings as the instruments of control.

We visited the Philadelphia establishment. Twenty years ago this concern was one of the first to introduce the Taylor system of scientific managment, under the supervision of Frederick W. Taylor himself; with some modifications, to be sure, owing to the fact that this concern manufactures special orders and not staple products, but essentially the Taylor system with its functional foremen, time and motion study, minute cost determinations and the rest.

The nine hundred and odd workmen were scientifically adjusted to their jobs, shop routine was carefully and thoroughly established, and the men worked at a swift, steady pace. The worker who failed to come up to the standard of performance found that his earnings were so small that he did not wait to be discharged. He quit and sought work where he could go it at a slower pace. The worker who remained produced in large quantities and made better than average earnings.

Too Much Detail

Costs were kept in such minute detail that operations of so little duration as 105 seconds were recorded as separate units. Labor-hour costs were recorded at their actual cash costs. Value of buildings, equipment, tools and machinery were allocated to separate workmen and unit processes with accuracy. Every instruction was written and carefully recorded. Orders and results passed by writing and even human relations were controlled finally by paper forms. For every act and process there was a form which required careful filling out. The processes and relations were as mechanical as the Taylor system could make them.

This required an immense amount of work, rewriting bills of material, making thousands of entries; costs were always at least a week behind the labor date. A thorough study of their methods and recognition of faults resulted in a number of changes: the use of a single bill of materials, a distinctive time card for each separate form of production labor, and a uniform, general method of distributing indirect expenses. Selling costs were kept apart from the rest. Thus the work was materially reduced and accuracy sufficient for practical purposes retained.

While they still have scientific management it is so modified that it can no longer be called the Taylor system. It is the Link-Belt system.

In the planning department there have been probably the fewest changes. Here we find scientific management par excellence, likewise in the cost-accounting and stores departments. The work is carefully planned, instructions are made out in copies sufficient for each of the employed workers on each job, and accurate time studies are made and recorded. Their purpose, however, is more to make possible intelligible cost accounts and job estimates than to maintain rigorous paper control over the shops.

New Personal Relations

The greatest variation from scientific management has probably been in the personal relations with the men. This plant has always tried to give the workers a consciousness that the management was interested in their welfare and a fair deal for everyone: the effort has always been apparent to give the men all that is coming to them, to recognize their interest in the plant. It is easy to understand, therefore, that the management would early feel that the Taylor system went too far with its functionalization, particularly with respect to foremen. And they returned to the system of a single superintendent with general foremen and sub-foremen, each in complete charge of his particular group of workmen.

This foreman has all the functions of the old type of foreman, with slightly less emphasis on the personal relation side. He can recommend for discharge, but his discharge is not final. He is still the gang boss, with the responsibility of "getting out the goods," but he is primarily an instructor and executive.

The interesting development in the concern is the changed type of superintendent. Contrary to general practice, he is not the technical type of man. He did not forge his way up through the ranks of factory workers to his present position. He was a cost accountant with an attractive personality, a man of impelling presence. He is superintendent, not because he knows the technical side of manufacturing, but because he knows and can handle men, because of his great and evident human sympathy. The responsibility for matters technical is left to his foremen and sub-foremen.

His training school for this present position was a Sunday School. He was a whirlwind of a superintendent there. His school was live and interesting. Mothers sent their sons to him. He reformed recalcitrants. He built his whole soul on making everyone feel happy, contented, and anxious to do things.

A Change of Tactics

So when the management of the Link-Belt Company saw, a few years ago, that they were facing a peculiarly difficult labor situation, they decided that they must change their tactics. They decided to pin their faith on the man who showed that he could inspire and lead his fellows, who could preach a sermonette to an imported workman in greasy overalls without evoking indifferent suspicion in response. The technical side of the problem could be left to his lieutenants. It was subordinated to the human relations aspect of the general manufacturing problem.

Not that this factory has become a revival camp meeting with a chorus of "Glory Hallelujahs" for every achievement in production. Far from it. Enthusiasm has not replaced, it has supplemented hard sense and technical skill. The superintendent with his foremen meet every morning, and at this meeting each man reports the progress of work in his department. Technical difficulties, failures to hold up to the schedule, failures to co-ordinate—these and more are discussed to the end that each knows just what the rest are doing, just where he stands, and what is expected of him. It would go hard with the foreman who showed in these meetings anything like shortcoming as a technician. The technical side of the work is foundational. On it rests all else. But it is the peculiar function of the superintendent,

Continued on page 18.

Letters to the Editor

WHY THE DISCRIMINATION?

To the Editor, The Financial Post.

One of the most glaring inequalities of the luxury tax of unhallowed memory became apparent at its demise when the Government rebated monies collected in payment of the luxury tax from one class of merchants of Canada and has neglected and refused to rebate monies collected in payment of the luxury tax from another class.

I have seen it mentioned in the public press that the Government has not been in the habit, and never has heretofore rebated taxes that have been collected, but in the case of the luxury tax, the present Government are in effect rebating monies that have been collected for taxes on different articles described as luxuries under the law.

On a large majority of articles that were included under the luxury tax law, the tax was collected by the merchant from the consumer at the time of sale.

On a comparatively small proportion of articles, including automobiles, firearms and ammunition, the tax was collected at the time of importation, or at the time they were sold by the Canadian manufacturer.

Let us see how these two classes of merchants were treated by the Government when the tax was removed.

Take, for example, a merchant who has $1,000 (retail value), but for the sake of argument will say it cost him $1,000, worth of silverware in stock, on which there is a tax of 10% to be collected at the time this silverware is sold to the consumer, and stamps representing 10% of the value of the silverware on each sale must be attached to the invoice and cancelled.

In order to sell these goods and comply with the law, the merchant buys $100 worth of stamps. Result: The merchant has $1,000 worth of silver, the Government has $100 of his money collected for $100 worth of stamps under the Luxury Tax Act, and the merchant's total investment is $1,100.

On the other hand, the sporting goods dealer purchases $1,000 worth of ammunition from a Canadian manufacturer on which a luxury tax of 10% is collected by the Government at the time the goods are sold by the manufacturer. In this case the dealer has the ammunition costing him $1,000 and the Government has $100 of his money collected for the tax, and the amount invested by the dealer is $1,100, the same amount as in the case of the merchant with the silverware and stamps.

AT THIS TIME THE TAX IS REMOVED.

In both cases the dealers have goods of the value of $1,000 and the Government has $100 cash of each, that was paid on account of the provisions of the law governing the luxury tax.

We submit the two merchants should be treated alike, but are they?

In the case of the merchant who has purchased $100 worth of stamps for his silverware, the Government redeems the stamps and repays his $100 that it has already collected in payment of the luxury tax.

In the case of the merchant with his cartridges the Government retains the $100.

Is this treating the different classes of merchants of Canada on an equality?

In what condition does this leave the different classes of merchants?

In the case of the merchant handling silverware, he is in the same position as far as his competitors are concerned, as though he had purchased the goods after the tax was removed.

In the case of the merchant with the cartridges, his competitors can lay the goods down after the tax is removed, at 10% less than he has invested for the same goods, and in the case of rifles, shotguns and ammunition, that were imported, while the luxury tax on these articles was supposed to be 10% by the peculiar method of figuring the tax on these articles, the amount collected by the Government was 14.3% on the actual cost of the goods at the factory, and by neglecting and refusing to rebate the luxury tax collected on firearms and ammunition that were imported, on which the tax was paid, and which the merchant still had in stock, the Government has placed the merchant at a disadvantage, by allowing his competitors to import rifles, shot guns and ammunition at 14.3% less than the merchant who brought them in while the luxury tax was in force, and paid his tax on same.

The same situation prevails in different degrees in the case of automobile dealers, and all other merchants who handle goods on which the tax was collected at the time of import, or at time of shipment from the Canadian factory.

I submit that this action on the part of the Government if not rectified amounts to a discrimination in favor of one class of business men and against the other, and maintain that the merchant who paid for luxury tax stamps which he had bought for the purpose of using in connection with the articles which he has in his establishment, should not be treated in a different manner from the merchant who paid the luxury tax at the time the goods were imported or purchased from the Canadian manufacturer, and submit it is only fair and just to all classes of merchants that they be placed on the same basis as far as the luxury tax is concerned, and that the Government should rebate or refund the taxes collected on goods which they still had on hand at the time the tax was removed, and on which the Government had collected the luxury taxes as well as for the stamps already bought which were to be placed on goods in stock which they expected to sell under the provisions of the luxury tax.

It is never too late to right a wrong and in the interests of the boasted British fair play, justice and right, I maintain that the Government should treat all classes of business men on an equality and not protect one class, while leaving another class of business men to suffer a loss of 10% and upwards on account of an unfair discrimination in the administration of the unmourned luxury tax law.

IRA A. LIEGHLEY.

PERSONALS

JOHN OGILVY, of Montreal, celebrated his ninety-sixth birthday last week. In spite of his extreme age this former well-known business man attends the Mount Royal Club nearly every day, and tradition says his faculties are so keen that he takes a hand at poker night after night. Mr. Ogilvy came out to Canada from Forfarshire at the age of 14. For some years he was associated with the firm of Wm. Bowman, whose name has been recorded in that of the town of Bowmanville, Ont. Later on he joined the firm of J. G. MacKenzie, dry goods merchants. He retired from business a number of years ago. His younger son, who was an officer in the Gordon Highlanders, and was for some time A. D. C. to Lord Minto, when he was Governor-General of Canada, met his death in the Boer war.

HON. A. L. SIFTON, Secretary of State, and for many years an outstanding figure in the political life of this country, died at Ottawa last week after an illness of several weeks' duration. During his attentdance at the peace conference in Paris Hon. Mr. Sifton contracted a serious illness, and never after did he recover his former vigor. On his return to Canada he intimated to Sir Robert Borden his desire to retire from his cabinet but remained in office at the Prime Minister's request. At the request of his colleagues he also decided to remain in the cabinet of Hon. Arthur Meighen. The late Hon. A. L. Sifton was born at St. John's, Middlesex County, Ontario, six miles from the city of London, on October 26, 18 He was educated in Wesley College, Winnipeg, and Victoria University, Cobourg, graduating in 1880. In the same year he started the study of law in Winnipeg, and was admitted to the Manitoba Bar in 1883. He first practised in Brandon, later removing to Prince Albert, and finally to Calgary. He was elected a member of the old Northwest Assembly, and in 1891 became Commissioner of Public Works in the Haultain Ministry. In January, 1903 he resigned from the ministry to become Chief Justice of the Northwest Territories, and after the establishment of the Province of Alberta in 1905, he became Chief Justice of that province. He resigned in 1910, and immediately undertook the task of forming a new provincial ministry. On October 12, 1917, he was sworn to the Federal Privy Council and became Minister of Customs in the Unionist Government. He was appointed to the position of Secretary of State on December 3, 1919, and in January, 1920, he was made a member of His Majesty's Privy Council. While seldom heard in debate the late Secretary of State was keen in council, and his decisive judgment carried great weight with his colleagues.

KEEP A RECORD OF YOUR SECURITIES

For the convenience of those desiring to keep a record of their securities we have prepared for distribution a concise and convenient SECURITY RECORD form for entering the name of securities, date of purchase, amount, purchase price, annual income, time of interest or dividend payment, maturity, etc. Such a record is almost indispensable to security holders.

Review your securities carefully. There may be some maturing at an early date which could, with considerable profit, be exchanged for long term securities. In this connection we shall be glad to make suggestions.

Copy of the RECORD OF SECURITIES form will be gladly sent on request

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

TYGARD ENGINE

D. G., Toronto.—Could you give me some information regarding the Canadian Tygard Engine. Have been given to understand that they have been selling stock for at least five years.

We do not see any special merit in the stock of the Canadian Tygard Engine, Limited. Mechanical men who have looked into the engine design prepared by this company have told us that they were not favorably impressed. Perhaps this is the reason why the company has prolonged its stock selling campaign.

NEW WORLD LIFE

R. M., Nova Scotia.—Kindly furnish me with some information regarding stock of New World Life Insurance Company, head office, Spokane. Is this stock listed on the exchange, and if so, at what price is it now selling?

We are in receipt of the following information concerning the stock of the New World Life Insurance Company forwarded to us by an official of the company: "Insurance companies do not generally list their stock and consequently our stock is not listed. The insurance laws prohibit a life insurance company from purchasing its own stock or dealing in the same, and we are, therefore, seldom in touch with market quotations. Such shares of stock as are being transferred are in individual cases, and such prices as are paid in these individual cases will furnish very little evidence as to the market value of the company's stock. The par value of the share is $10, and the book value as at December 31, 1919, was $13.69."

A financial statement outlining the company's position for 1919 reveals a substantial increase in business. The company has at the present time about thirty millions of insurance in force, and is doing business in nine states. The company's investments are principally in mortgage loans, which earn an average rate of interest of something better than 7 per cent.

DAVIDSON GOLD MINES

J. G., Calgary.—Can you give me any information about the Davidson Gold Mines? Would like to know what is being done with the property at the present time.

Your attention has probably been directed to the announcement that appeared in the daily papers last week concerning the Davidson Gold Mines, to the effect that the shareholders had reached a decision to sell this property to an English syndicate. We understand that this syndicate has already purchased 1,000,000 shares of treasury stock at 75 cents a share, and will buy in the outstanding stock in the hands of the shareholders at $1.18 a share. The company purposes renewing operations by March 1, when the erection of a 500-ton mill is also contemplated. The board of directors now comprises the following members: G. C. Crean, H. H. Sutherland, S. R. McKean, Toronto; C. W. Moodie, Hamilton; E. A. Snowman, Springfield; J. J. Davis, London, and Col. Robt. Stark, Montreal. We are not acquainted with the extent of the holdings of Mr. Sutherland in this company.

INSURANCE

P.H., Grand Prairie.—Would like your opinion of the Canadian Hardware and Implement Underwriters, Winnipeg. Are they good?

We do not think that you need to have any hesitation in placing business with the Canadian Hardware and Implement Underwriters, of Winnipeg. We have made inquiries concerning this company from reliable sources, and the replies have in each case confirmed our opinion. The company is favorably regarded in financial circles.

ORDER OF CHOSEN FRIENDS

Reader, Simcoe—Would like your opinion as to insurance carried in the Canadian Order of Chosen Friends. The policy in question was taken out in the year 1900 for $500.

There does not appear any cause for anxiety as to the safety of an insurance policy carried with the Canadian Order of Chosen Friends. At the moment the society has a beneficiary membership of over 28,000, and a sick benefit department of over 7,500. To meet death and sick benefit claims there is on hand the sum of $1,186,021, which would appear more than adequate to meet claims of any normal year. Funds are mainly invested in municipal securities. While the security behind some of the bonds of a number of Western municipalities is somewhat unsteady the general list is sufficiently diversified to offset any possibility of heavy loss.

CANADA PERMANENT

E. S., Toronto.—Will you kindly advise me a full report of your opinion of Canada Permanent Mortgage as a purchase at 170?

If you are interested primarily in safety of principal with the rate of return on your money a second consideration then Canada Permanent Mortgage should appeal to you. This stock carries dividends at the rate of 10 per cent., which at the present market value of 170 offers a yield of 5.88 per cent. The company's position is undoubtedly sound, and net earnings for the past year were in excess of the returns for the previous year. The present year opens with the outlook somewhat clouded with uncertainty, but there is every evidence that the loan companies will find a ready demand for all surplus funds.

ALLEN THEATRES

T. H., Windsor.—Will you please give me your opinion on Allen Theatres 8% preferred?

Your inquiry concerning Allen Theatres, 8 per cent. preferred, we presume, refers to the offering that is now being made of this stock on a basis of $100 a share, together with a bonus of common stock. We feel that this is a good purchase for the man interested in the better class of speculative investments.

The motion picture business is one affected by a great many different factors. The providing of amusement for the public is not a basic industry and for that reason there will always be an element of speculation in such securities as those of the Allen Theatres. This element of speculation can always be minimized to some degree when such factors as good management, sound financing and a wide field of activity enter in and they seem to be present in the Allen enterprises. The heads of the Allen chain have proven their abilities in the operation of motion picture theatres. The theatres as separate entities have in every case been successful and seem to have been taken into the larger company at a fair valuation, while the fact that the theatres are distributed all over Canada means that local business depressions should not affect earnings seriously.

As a speculative investment, Allen Theatres, Limited, preferred should be a satisfactory purchase.

RSC INVESTMENT-SERVICE

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We maintain thoroughly equipped offices for the purchase, sale and exchange of Government, Municipal and Corporation Bonds.

These offices are at Montreal, Toronto, Halifax, St. John, Winnipeg, Vancouver, New York, and London, England.

We solicit inquiries from investors who have bonds and stocks to sell, or from those who wish to buy or exchange. Orders accurately and efficiently executed.

If you wish to read a stimulating review of current business conditions, write and ask us to mail you this month's *Investment Items*.

Royal Securities
CORPORATION
LIMITED

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MONTREAL
Toronto Halifax St. John Winnipeg Vancouver New York London, Eng.

The Coming Big Cities of the Canadian West

More Northern Points Are Expected to Develop Rapidly As Our Vast Hinterland is Opened Up.

By AGNES C. LAUT.

It would only be a ducking of one's head to escape a brickbatting of facts to deny that every city in Western Canada has anticipated its future growth in municipal debts, municipal improvements, municipal taxes. I shall not go into this in detail; as every Western city knows it. It is paying for the boom of ten years ago in the inevitable boomerang.

I could tell of city limits that run eight miles out on the prairie, where city subdivisions are reverting to farms; and the sooner the better. I could tell of streets paved like a motor speedway, along which not a house has been built; and the investors owning lots on those streets are squirming under tax improvements, or letting the property go for taxes. I could tell of cities, where not one of the paper millionaires of ten years ago has a sou left intact to-day. I could tell of town sites sold in good faith, where big hotels went up, where the buildings have been torn down, and only a few shacks remain as the gravestones of dead hopes; but I shall not. The West knows all this.

Big Growth Coming

But it would also be ignoring the record of every city in the Western States not to acknowledge that every city at present existing in Western Canada may some day exceed the wildest boomster's wildest hopes. Winnipeg will some day be a second Chicago. Moose Jaw and Regina will some day be second St. Pauls and Minneapolises. Calgary and Edmonton will some day be second Kansas Cities and Omahas. Prince Rupert and Vancouver will some day be second Seattles and San Franciscos. And yet another city of which the foundation has not yet been laid will some day be a Spokane in Northern British Columbia between Edmonton and Prince Rupert.

The point is—how soon?

Is it worth while hanging on to high priced property for high future profits for your son's grandson? Will it pay to pay present taxes for ten years, for twenty years, for thirty years?

I leave Saskatoon and Battleford and Prince Albert out of these categories because high as taxes are in one of these cites and low as bonds have fallen in another, they never laid out areas for a prospective Chicago. Saskatoon never had a boom at all, in the wild proportions of other booms. It grew rationally and naturally. So did Victoria, which bids fair to become Canada's Los Angeles, a winter play ground.

Which cities have the prospects for immediate swift development?

If you examine facts rather than hopes, five loom on the immediate horizon. The others will grow exactly as local production grows. The five are Winnipeg, Edmonton, Prince Rupert, Vancouver, and some city between Edmonton and Prince Rupert. The last may be in Peace River. It may be in Northern British Columbia. Oil, railroads, mines, farm output, coal output will crease this unknown city; but it is inevitable that in this area of eight hundred miles east and west, fifteen hundred miles straight north, such a city should spring up as supply centre for farm, oil wells, mines, lumber, rail development. I do not wish to invoke courtmartial by saying which place will become that city. It may be in Peace River; or it may locate between Prince George and Prince Rupert. It is up to these places to invoke their local gods and local enterprise.

Winnipeg and Chicago

Winnipeg claims premier place for precisely the reasons that created Chicago, with one in addition. Winnipeg has an available supply of the cheapest hydro-electric power for industrial purposes in the world. East is the Winnipeg River supply. North is the Grand Rapids supply. Ten years ago, the distance of Grand Rapids would have been considered insuperable as an obstacle to development. To-day, transmission is possible for distances not of two or three hundred but six hundred miles without serious leakage through a snow or vapor-laden atmosphere. Winnipeg has a hydro-electric supply for an industrial population of three millions. Winnipeg may not have an industrial population of three millions in your day or mine, though we are living in a swift age that discounts all previous ages, but with Winnipeg the central wheat market for a wheat area great as the Western States it is inevitable that factories will be located at Winnipeg to avoid the long rail hauls from the east and south and place machinery supplies on the same parity as to prices as the same supplies cost the American farmer. Farmers will not endorse high tariff on the ground of protecting Eastern manufacturers, but they will endorse it on the ground of paying the war debt. It is either pay the war debt by a tariff on imports—which means a tariff on sales; or pay the war debt in direct income and profit taxes; and farmers will never subscribe for the latter, where they will for the former. That is not an obiter dicta. It is the expressed view of hundreds of farmers to whom I talked. There is no escaping the horns of the dilemma—it is taxes on imports; or it is taxes on income and profits. But the Canadian farmer must get his supplies cheaply as the American farmer gets his — motors, trucks, machinery, manufactured goods, clothing — which he does not to-day; and the only way he can do that without paying income taxes, if all tariffs were to be abolished, is to manufacture what he buys where he sells. Winnipeg has the cheap power and Winnipeg is the great stock, wheat and rail centre of Western Canada. Men have seen Chicago grow to a population exceeding a million and a half in one generation. It is a safe prediction no matter how hard Winnipeg has been hit by the boomerang of the boom, no matter how stagnant land prices are there to-day, people of this generation will see Winnipeg touch a population of a million and a half.

On the Pacific Coast

Precisely the same factors making for Edmonton's growth are making for the growth of Prince Rupert and Vancouver, in spite of the boomerang having given both almost a death wallop. In addition, both places are great seaports—great export gates, great centres for oil refineries, for smelters; and the future mineral development of the area between the Columbia and the Yukon no man can remotely guess, except to know that what Montana coppers and South Dakota gold fields and Colorado mines have done for the American West fast as railroads opened, the copper and gold and silver of Northern British Columbia will do for Prince Rupert and Vancouver. Hetty Green, Russell Sage too, used to say "Buy when other people are selling; sell when other people are buying." In other words, sell when boom prices are at the top, buy when they are at the bottom. Vancouver and Prince Rupert are in the trough of a war backwash to-day; but being in the trough, they are about to climb again to the crest. Land, which sold in these places ten years ago at $4,000, is for sale to-day at $600 to $1,200. I know of some lots sold last summer for taxes plus $5. More need not be said. However other Western cities may grow, these five must climb to the same proportions as Chicago, Kansas City, Seattle and San Francisco. The fifth I have not named. If I should name it, it would be a sheer guess. It may be Grand Prairie, Peace River, which has made a good start. It may be Prince George. It may be Hazelton. It may be Terrace, with a terrain much like Spokane's; or it may be some place not yet on the map, created by a sudden find in oil or gold, by a conjunction of new railroads, or some huge pulp or smelting industry; but if you measure the distances in a circle from Edmonton to Prince Rupert and Vancouver, you will see the circle has to have a supply centre to cut its diameter of eight hundred miles into four hundred.

The Next Change

When will business revive?

And why?

What has happened to business?

The underlying facts that answer these questions are set forth in the January Greenshields Review.

This Review has for ten years correctly interpreted the current business position and the probable future trend.

A request on your letter-head will bring you a copy.

Write to-day.

Greenshields & Co.

INVESTMENT BANKERS
14 King Street East, Toronto
Montreal ◆ Ottawa

OTTAWA STREET RAILWAY ISSUE

(Ottawa Journal)

The majority of votes of ratepayers polled against the proposed by-law to authorize the City Council to proceed to arbitration to acquire the Ottawa street railway, and to pay any award, is so large as to seem to indicate a change in the trend of public feeling on the subject of public ownership. Considerable opposition of course was due, not to the idea of public ownership, but to the stipulation that if an arbitration should take place, the City Council would have power to pay the award without further reference to the ratepayers. But that part of the opposition is not sufficient to account for the size of the majority against the by-law. Clearly a strong opposition exists to municipal acquirement of the railway under any conditions whatever, an opposition stronger now than has been indicated by any previous vote in Ottawa on the principle of public ownership.

The Journal cannot say that it feels greatly concerned, even though the vote means that the railway is to remain for the future in private hands. It has been well managed, and will doubtless continue to be so. We would rather see the railway remain private property in any case than pass under the influence of any sort of civic representatives willing to father the dishonesty of asking for an arbitration with an intention of backing out of the award should it not suit them.

Make the Most of Your Investments

When planning an investment, it is advisable to obtain the one which affords the maximum of security, the most convenient facilities for collecting interest, and the highest yield consistent with the two.

Such an investment is to be found in Canadian Government and Municipal Bonds, which, at existing prices, provide interest returns ranging from 6.10% to 7%.

Write for a list of these bonds.

Wood, Gundy & Company

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"Brief Review of the Canadian Income Tax Act"

Our Fourth Edition of the above booklet, showing all amendments and full explanation of the Act, is now available for general distribution.

Copies may be had at our office or will be mailed to anyone interested.

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NEW ISSUE
CITY OF ST. CATHARINES
6% COUPON BONDS
Maturities: 1922—1926
Principal and semi-annual interest (April 20 and October 20) payable in Toronto or St. Catharines. Denomination, $500 and $1,000
PRICE TO YIELD 6.40 PER CENT.
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Our Part—And Yours

Canada is the total of our individual efforts. Her power is the total of our power. Her success is the total of our successes. Together, we are responsible for the present. Together, we will be responsible for the future. Faith in Canada means merely, faith in ourselves.

Canada will go forward as speedily as this faith is crystalized in deeds. To progress rapidly, soundly, financing is necessary. Towns, Cities, Provinces, the Dominion itself, must be financed, and the issuing of bonds is the safest and most convenient form.

It is then your duty to assist this period of expansion by purchasing to the utmost, *the safest of all investments* — Bonds. Our duty lies in the careful selection of offerings, the maintenance of the necessary equipment, staff, and a thorough understanding of what is necessary to provide safety for the investor. Thirty years of continued experience has qualified us for our part.

Our monthly publication, the "Investment Guide," is of great assistance to those who keep posted on actual conditions in the Canadian Bond Markets. We welcome the opportunity of mailing you a copy each month.

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REGINA PUBLIC SCHOOL DISTRICT DEBENTURES FOR SALE

Tenders will be received by the undersigned up to noon of February 1, 1921, for the purchase of Regina Public School District debentures totalling Two Hundred and Fifty Thousand Dollars ($250,000.00), repayable in thirty years (30) with interest at six and one-half per cent. (6½%) per annum, payable half yearly at (1) Regina, Toronto, and Montreal; or (2) Regina, Toronto, Montreal and New York, at the option of the holder.

Tenderers are requested to submit bids for debentures payable in Canada and New York and for debentures payable in Canada only.

Tenders will be considered on both the Sinking Fund and Annuity plans of repayment.

Regina funds and delivery.

No tender necessarily accepted.

For further information address

J. H. CUNNINGHAM,
Secretary,
Regina Public School Board,
Regina, Sask.

Regina, Saskatchewan, Jan. 6th, 1921.

THE FINANCIAL POST,
143-153 University Avenue, Toronto.

.................................., 1920

Please enter me as a regular subscriber, commencing at once. If I am satisfied with the paper I will remit $5.00 to pay for my subscription on receipt of bill, or you may draw on me for this.

Name..

Address..

January 28, 1921 ....

NEWS OF THE BOND MARKET

PROVINCE ONTARIO $10,000,000 LOAN OVERSUBSCRIBED

Offered to Public at 6.15 Per Cent. Bonds Readily Taken

MONEY COST 6.28%

Province Raises Another $10,000,000 For Hydro-Electric Projects

With practically every bond house in the province supporting the issue, $10,000,000 of twenty year 6 per cent. bonds of Ontario were offered on Thursday of this week and was rapidly oversubscribed. The bonds were offered to the public on a basis of 6.15 per cent., which is a higher yield than the former issue of a few weeks ago was quoted at during the previous week.

For the province the issue was unusually successful, as the bonds were marketed on a very narrow margin. The price received by the province was 96.787, which is basis of 6.28 per cent. Comparison with the price received by the province for its last issue of $16,000,000 of 6 per cent. fifteen year bonds early in December indicates the improvement that has taken place in the bond market. That issue was sold by the province at a price at which the money cost 6.83 per cent., and was offered to the public at 6.60 per cent. The bonds were subsequently sold on a rising scale of prices and were offered a week ago at par, although many were sold at that price.

The attractiveness of the present issue is apparent and it is probable that somewhat more than $10,000,000 of the bonds will be sold.

Aemilius Jarvis and Co. acted as syndicate managers and associated with them in this capacity were Wood, Gundy & Co. and A. E. Ames & Co.

The money is required for Hydro-electric purposes.

THE BOND DEPARTMENT

Several Banks Are Pushing Business Here

A number of Canadian banks are aggressively pushing business in their bond departments. The following is from "The Teller":

> This is the month for bond selling—the bond salesman's harvest.
>
> The Province of Ontario issue is a splendid example of the opportunity there is now for bond sales. The issue sold heavily at 6.60. Now the price has gone up. One point in connection with this—Ontario's bond issue is important—many managers delayed sending in orders and when the orders were received, the price had risen and they could not be filled.
>
> Do not confine your efforts to the selling of any one particular bond. Remember that all bonds we recommend, we believe to be good.
>
> Every manager should start in right now and push the bond business—while the market is good.
>
> Be quite sure you get your share of it.

A SHIPYARD CLOSES

The Canadian Allis-Chalmers shipyards have officially closed and the skeleton force at work has been laid off.

By the closing down of the Allis-Chalmers Company, Bridgeburg loses a payroll of about half a million dollars per year. There had been hope, even while the skeleton force was maintained, that the plant would be reopened, possibly as a foundry.

The present status of the shipbuilding industry is blamed for the necessity for closing down the Bridgeburg plant.

DARTMOUTH SELLS BONDS

Nova Scotia Municipality Makes Sale to Montreal Firm

By Resident Representative.

HALIFAX. — The town of Dartmouth has sold $100,000 6 per cent. bonds to the Royal Securities Corporation at a price of 95.63. These bonds are to run for twenty years and the proceeds are to be devoted to sewer and water works construction and to other town improvements.

BRAMPTON SECURES FAVORABLE PRICE

Sells $62,000 of Various Maturities Around 6.50 Rate

A rate of about 6.50 per cent. was paid by the town of Brampton on an issue of debentures it sold this week. The successful tenderers for the issue were the Canadian Debenture Corporation.

The issue comprised $62,000 of 10, 20 and 30-year debentures with interest at 5 and 6½ per cent. Bids received were as follows:

Canadian Debenture Corp.	100.18
A. E. Ames & Co.	98.79
C. H. Burgess & Co.	98.52
Harris, Forbes & Co.	98.377
R. C. Matthews & Co.	98.18
Mackay & Mackay	98.
United Financial Corp.	97.75
Brent-Noxon & Co.	97.53
For 6½ Debentures Only	
Dyment, Anderson & Co.	99.77
Dominion Securities Corp.	99.647
Wood, Gundy & Co.	98.79

$550,000 BOND ISSUE CONSUMERS GLASS CO.

Production of Plant Will Be Doubled—Hopeful of Increased Business

By Resident Representative.

MONTREAL. — The Consumers' Glass Company, which was organized a couple of years ago, has been shut down for several months past for the purpose of doubling the capacity of the plant, but is now ready for opening again. It is the belief of the company that a demand will be found for double the output that it had been producing for the year previous. For many years the United States sent over fairly large quantities of glass bottles, which is the company's chief product, into Canada, but it is believed that the Canadian companies will be able to look after practically all the requirements of this country in this line.

In order to provide capital for the extension the company has disposed of an issue of bonds amounting to $550,000 bearing 6 per cent. interest. These are 15-year bonds and mature in 1935. These were disposed of by private sale and no announcement was made as to the price secured.

TO DEAL IN BONDS

Another firm of bond dealers has been formed in Toronto, the partners of which were all formerly members of the staff of A. E. Ames & Company.

The new firm will operate under the name of McLeod, Young, Weir & Company, and the four bond men who have organized the firm are W. E. Young, Col. J. G. Weir, D. I. McLeod and J. H. Ratcliffe.

CHANGING CONNECTIONS

Edward Brown & Company, of Winnipeg, who have for some years occupied an office in the Canada Permanent Building on Garry Street, are moving to new offices in the McArthur Building, and are installing a New York wire. In addition to marginal trading a special feature will be the sale of stocks on the partial payment plan.

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due. Year	Yield	Range 1921. High	Range 1921. Low	Latest Price Ask	Latest Price Bid	Wk. End. Jan. 25. High	Wk. End. Jan. 25. Low	Sales
Asbestos	5	1942	6.90	78½	77	..	78½	78½	78	$ 4,800
Cons. Rubber . ..	6	1946	6.83	90	86	90	..	90	...	4,000
Can. Locomotive .	6	1951	7.08	86½	..	95	..	86½	..	18,500
Cedar Rapids	5	1953	5.87	88	86	87½	87	87⅞	87	38,200
Dom. Canners ..	6	1940	7.02	89	86	90	88	89	..	1,000
Dom. Iron	5	1929	8.30	78½	75	..	77¼	78½	76½	12,000
Dom. Textile (C) .	6	1925	7.97	92	91	..	92	92	..	4,000
Dom. Coal	5	1940	6 12	87	86	..	86	87	86½	6,000
Dom. Cotton	6	1922	8.15	96½	96	..	96	96½	96	2,000
Mont. Trams.	5	1941	5.55	93¼	93	..	..	93¼	93	1,850
Do., (debs.)	5	1924	14.00	65½	63¾	..	..	65	..	28,900
Montreal, Dec., '22	6	1922	2.80	106½	96½	..	106½	106	..	500
Do., Sept., '23 ..	6	1923	6.73	98½	98	..	..	98	..	1,700
Penman's	5	1926	7.41	88½	85	..	88½	88½	88	15,000
Quebec Rly.	5	1939	8.85	64	59	63½	63⅝	64	62½	39,700
Rio	5	1935	8.80	77	62	..	..	77	67	10,800
Riordon	6	1929	7.73	89	..	90	..	89	..	500
Steel Co.	6	1940	6.67	93	92½	..	93	92½	..	500
Sau Paulo	5	1929	9.40	78¼	70	73½	72	72½	..	16,000
Wayagamack	6	1951	8.10	76½	75	..	76	76½	76	14,200
War Loan (1925..	5	1925	6.10	95½	92	..	94½	95½	93½	41,800
Do., (1931)	5	1931	5.78	94	90¾	93⅝	93⅜	94	93¼	42,600
Do., (1937)	5	1937	5.18	98½	94½	98½	98	98½	97⅝	82,000
Vict'y Loan (1922).	5½	1922	6.02	99¼	97	99¼	99⅛	99¼	98	409,350
Do., (1923)	5½	1923	6.00	99	95½	..	98¾	99	97	349,100
Do., (1924)	5½	1924	6.45	98½	94¼	96⅝	96¼	96¾	96	264,550
Do., (1927)	5½	1927	5.76	98¾	95¼	..	98¼	98¾	97⅝	72,150
Do., (1933)	5½	1933	5.68	98¾	95⅛	98⅝	98½	98¾	97⅝	785,800
Do., (1934)	5½	1934	6.00	96⅛	92¼	95⅝	95⅝	95¾	95	857,150
Do., (1937)	5½	1937	5.53	100½	96½	100	99⅞	100½	99	305,800

MERRITTON'S BONDS TO DYMENT-ANDERSON

Issue of $30,000 Sold on About 6½ Per Cent. Rate

Dyment, Anderson & Company were the purchasers of $30,000 of bonds of the town of Merritton this week. The bonds were thirty-instalment 6's and were sold at slightly under a 6.50 basis.

There was a long list of tenders as follows:

Dyment, Anderson & Co.	95.137
Harris, Forbes & Co.	94.38
R. C. Matthews & Co.	94.11
W. L. McKinnon & Co.	93.93
A. E. Ames & Co.	93.89
Wood, Gundy & Co.	93.79
Bank of Nova Scotia	93.75
Canada Bond Corp.	92.25
Housser, Wood & Co.	89.85
For 20-Year Bonds	
United Financial Corp.	94.37
National City Co.	94.07

THREE ISSUES SOLD BY SAULT STE. MARIE

Wood-Gundy Buy Varied Lot of Bonds at 6⅝ Basis

Sault Ste. Marie bonds to a total of $195,500 were sold during the past week to Wood, Gundy & Company.

The bonds were in three blocks: $16,500 of 6 per cent. ten-year bonds; $20,000 of 5½ per cent. thirty-year bonds and $159,000 of 6 per cent. thirty-year bonds and were purchased at 91.50, about a 6⅝ per cent. basis.

Tenders received were:

Wood, Gundy & Co.	91.50
Dominion Securities Corp.	91.25
C. H. Burgess & Co.	90.846
A. E. Ames & Co.	89.122
Royal Securities Corp.	87.80

PLAN POWER DEVELOPMENT

Madawaska Power Company Asks Leave to Issue Bonds

By Resident Representative.

ST. JOHN.—The Madawaska Light & Power Company have applied to the Public Utility Commission for leave to issue $250,000 worth of bonds, and stock to the extent of $500,000. The company propose to develop a water power on Green River in Madawaska County, where a fifty-two-foot head of water is available. They would supply light and power to the town of Edmundston on the line of the Transcontinental Railway, and also to neighboring towns. Dr. J. A. Guy, of Edmundston, and Charles Brandeis, of Montreal, are joint owners of the power site. It is planned to develop 3,500 horse-power this year.

NEW WINNIPEG HOUSE

WINNIPEG.—The Commercial Securities Corporation, Limited, have been granted a charter with an authorized capital of $500,000. The powers of the company include the carrying on of a general financial business and of investing and dealing in all classes of public and commercial securities.

The incorporators as announced are all connected with financial interests in the West and include Captain William Robinson, a director of the Royal Bank of Canada; George R. Crowe, a director of the Royal Bank of Canada, president of the Northern Mortgage Company, director of the Great West Life Assurance Company, etc.; Alexander Brown, the president of Brown & Rutherford, wholesale and retail lumber; Charles H. McFayden, of C. H. McFayden & Co., Ltd., financial and insurance brokers, and James Auld, barrister, of Hunt, Auld & Warburton, a director of the Fire Insurance Company of Canada.

BARTON TOWNSHIP TENDERS

A complete list of tenders received on the Barton township issue is given below. Several tenders were omitted in error from the list given last week.

The bonds consisted of three blocks: $6,190 of 6 per cent. twenty years; $11,537 of 6 per cent. ten years and $6,000 of 6 per cent. five years. They were sold to W. L. McKinnon & Co. at 97.305. Bids were:

W. L. McKinnon & Co.	97.305
C. H. Burgess & Co.	96.17
Brent-Noxon & Co.	96.11
Wood, Gundy & Co.	96.07
Harris, Forbes & Co.	95.877
Nesbitt, Thomson & Co.	95.81
Canada Deb. Corp.	95.761
R. C. Matthews & Co.	95.733
MacNeill, Graham & Co.	95.73

	5 yrs.	10 yrs.	20 yrs.
Morgan-Dean, Harris & Mulveney	95.60	97.15	98.40
Canada Bond Corp.	95.068	96.061	97.74
Housser, Wood ..	94.04	96.07	97.32
Turner, Spragge & Co.	94,673	95.223	96.733

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HOW MONCTON GROWS

Assessment Climbs in Period of Ten Years

By Resident Representative.

ST. JOHN.—A good idea of the rapid growth of the city of Moncton during the past decade is furnished by a report on assessment presented at the last meeting of the county council of Westmoreland. In 1910 the county assessors fixed the valuation of Moncton for county taxation purposes at $3,153,000; in 1920 the valuation was $17,169,830, or an increase of nearly 600 per cent. In the same period the valuation for the whole county increased from [illegible]500,000 to $32,650,0000.

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FIELD OF MUNICIPAL FINANCE

DEFAULTED TOWNS IN SASKATCHEWAN GET NO GOVT. AID

No Money From Province, Though Counsel Will Be Given

MR. LANGLEY'S VIEWS

People Who Bought the Bonds Must Have Realized the Possibilities of Default In Some Cases

By Resident Representative.

REGINA.—A good deal of resentment is being expressed in the prairie provinces generally and in Saskatchewan in particular at criticism of the value of Western Canadian municipal bonds and the attitude of municipal and provincial authorities in connection with defalcations. While it is admitted that in the past considerable looseness existed in the matter of municipal bond issues, claim is made that the number of defaulting municipalities has been surprisingly small compared with the total number of those which sold bonds and that the suspicion cast on Western municipals generally is far in excess of what they deserve at this time.

Government officials in Saskatchewan profess also to see in these adverse criticisms of Western municipal debentures an attempt to force the Provincial Governments to accept responsibility in every case where municipalities have defaulted on their bonds. Speaking on this point the other day, Hon. George Langley, who holds the portfolio of municipal affairs in the Saskatchewan Government, used the following language:

"I am not prepared to say that all municipal authorities in Saskatchewan have at all times acted wisely in their borrowings. Unfortunately we passed through, during the years 1909-12 inclusive, a boom period; and during this period the value of real estate particularly was boosted very much beyond its actual value—boosted in many cases to double of its actual value. A great deal of property changed hands during the boom period and very large profits were made by the 'boosting speculators.'

"The spirit of outlay and expenditure founded on these excessive values was not confined to private parties but found expression in quite a number of our municipal councils. A willingness to spend thoughtlessly and to saddle the future with responsibility for these expenditures found its way into practice in the case of a number of the municipal organisations of the province; and there appeared to be at that time an equal willingness on the part of those representing the investing public to loan their money to these municipal bodies.

Not Enough Care Either Way

"Cases might be mentioned where terms were accepted by the municipalities and taken advantage of by the investors, which should have counselled caution to those lending the money; but the spirit of 'boost' and faith in an apparently rosy future deprived both borrowers and lenders of that care and caution which should be exercised in such matters. It was inevitable that chickens hatched under these peculiar circumstances should at a later date come home to roost.

"The one thing that has been somewhat surprising to me is that so few of our municipalities should have encountered difficulty in meeting their obligations. The number might be counted on the fingers of one hand, and practically everyone of these municipalities has been able to make arrangements that give promise of fully meeting the liabilities of the borrowers and the just demands of the lenders.

"The disappointment that has been manifested among the agents of the bondholders has arisen not so much from difficulties between the borrower and the lender, as from the strange assumption on the part of those who make the bondholders' complaint that the Provincial Government should in all cases where financial difficulties have arisen in a municipality, turn the municipal bonds into provincial bonds.

"When these loans were contracted it was perfectly well understood that the securities were municipal securities. There was never any suggestion of any kind made at any time that in case of difficulty the municipality's trouble would be accepted by the Provincial Government and provided for out of the funds of the province. The interest charged by the lenders was always arranged on a purely municipal basis and was higher or lower according to the standing and prospects of the municipality. This being the case there is no ground for the complaint that is being made against the Provincial Government. The 'kick' that is being made is not made because of widespread defalcations—because, as a matter of fact, there has not been anything of the sort; it is being made in the elusive hope that by making the complaint loud enough and repeatedly reiterating it the Provincial Government may be driven into the position of guaranteeing these securities.

Government Will Not Aid Financially

"It cannot be too emphatically stated that these gentlemen might better save their breath; as the whole question has been canvassed with the utmost care and seriousness by the Provincial Government and the Government has come to the conclusion, which is deliberate and final, that it will not accept responsibility in these matters. It will lend itself, as between the bondholders and the few municipalities involved, to regulate the terms of repayment in any manner giving promise of the full payment of its liabilities by the municipality and the avoidance of loss on the part of the bondholders; but beyond this it certainly will not go.

"It is inevitable in a developing province that centres of population should be affected by the location of the railway lines. This has been particularly the case in connection with the town of Battleford. The establishment of North Battleford as a separate municipality on the opposite side of the Saskatchewan River has resulted not only in arresting the growth of the old town but has withdrawn a large amount of the patronage on which the old town formerly depended. The bondholder, like other investors, has to hazard results under circumstances like these, which are more or less inevitable."

The minister pointed out that the financial condition of the town of Humboldt, which was the subject of a conference on October 28 between the Local Government Board, agents of the bondholders and officials of the town, was seriously affected by the fact that while a railway town, the railway itself was exempt from taxation. "Should the Dominion Government, as holder of the majority of the stock of the Canadian Northern Railway, waive its right to immunity from taxation," said Mr. Langley, "the town would in a very short time be financially on easy street."

The town of Canora is and will in all probability continue to be the centre of a prosperous farming district, according to Mr. Langley, so that no difficulty should be experienced by the Local Government Board in making an arrangement that will eventually give the holders of its bonds full protection and ensure a settlement that will not entail any loss to them.

"The statement that the bondholders of the towns mentioned 'are reported to have shown considerable reluctance to place themselves in the hands of the Local Government Board and thereby sign away their rights without having any intimation in advance of what the Local Government Board will do' surprises me not a little, as the board's action has always been taken as much in the interest of the bondholders as in that of the municipalities themselves. The Local Government Board has at all times shown itself ready to allow bondholders to exercise their legal rights if they thought it in their interest to do so.

"As the towns mentioned form a very small exception to the good standing of the municipalities in Saskatchewan, I think that the general condition is one that merits congratulations rather than otherwise."

Money By-Laws

TENDERS WANTED

Feb. 15, Kenora.—$82,319.38, 6½ and 7%, 10, 15, 20 and 35-year, various debentures. F. J. Hooper, Clerk and Treasurer, Kenora.

Feb. 1, Regina.—$250,000, 6½%, 30-yr. school debentures. J. H. Cunningham, Secretary, Regina Public School Board, Regina. (See announcement elsewhere on this page.)

Feb. 1, Gladstone, Man.—$11,000, 6%, 20-yr. debentures. S. Schooley, Secretary-Treasurer.

Feb. 11, Portage La Prairie.—$54,000, 6%, 20-year waterworks and electric light debentures. W. R. Grieve, Secretary-Treasurer, Portage La Prairie.

Feb. 4, Brockville.—$143,964, 6%, 10-instalment debentures.

SASKATCHEWAN

The following is a list of authorization granted by the Local Government Board from January 8th to January 15th, 1921:

Schools.—Beaverside, $500; Swan Bluff, $1,500; Mountain Lake, $600.

Rural Telephones.—Redpath, $1,000.

The following is a list of debentures reported sold by the Local Government Board from January 8th to January 15th:

Grainview, $6,000.00, 15 years, 8 per cent.; Weed Creek, $4,000.00, 15 years, 8 per cent.; Roadside, $4,000.00, 10 years, 8 per cent., H. J. Birkett, Toronto, Ont. Husiatyn, $4,500.00, 15 years, 8 per cent., Waterman Waterbury, Regina. Buffalo Head, $775.00, 5 years, 8 per cent., Archie Hislop, Arcola. Eigenheim, $8,000.00, 15 years, 8 per cent., R. S. Fleury, Rosthern.

Rural Telephones.—Tipperary, $1,600.00 15 years, 8 per cent., Regina Public School Sink. Fund. Bulyea, $550.00, 15 years, 8 per cent.; Eddy, $200.00, 15 years, 8 per cent., Mrs. Arnold Neale, Bulyea. Gregherd, $7,600.00, 15 years, 8 per cent., W. L. McKinnon Co., Regina.

BUY SUDBURY ISSUE

C. H. Burgess & Co. Purchasers of $160,000 Block

SUDBURY.—C. H. Burgess & Co., Toronto, purchased $160,000 of Sudbury's debentures "at what is considered a good figure," says the announcement. This clears up the unsold debentures which were issued for the Technical and Elm Street Schools. Debentures have yet to be issued for the extension to the town hall, a new water main and other work carried on in 1920 on debenture account.

The debentures purchased by Burgess & Co. were in six lots.

CALGARY FOLLOWS REGINA'S EXAMPLE

And Will Pay Sterling Coupons At Current Rates of Exchange Only

Calgary has decided to follow the course adopted by Regina about a year ago and will pay sterling coupons at current rates of exchange. The city treasurer suggested the plan and was endorsed by the council's finance committee, despite objections by W. Ross Alger and other financial men.

The total amount of the issue in question is £150,000 and the saving on interest would approximate $3,000 at present exchange rates.

The city treasurer suggests also that he be given authority to exchange the $200,000 worth of war loan bonds at present in the sinking fund of the city, which are now registered, to bearer bonds. These bonds are payable in New York, and if the coupons were cashed they would net a profit owing to the exchange, but being registered can only demand the Canadian rate. If changed to bearer bonds, they might be transferred to New York, and would then be at a premium, or they could be used in meeting some of the obligations due there.

ADVISORY COUNCIL OF CITIZENS SET UP

Swift Current Abolishes Commission Government to Save Money

By Resident Representative.

SWIFT CURRENT.—"Retrenchment" is the slogan of Swift Current for 1921. One of the first official acts of this year's council has been to abolish the commission form of administration which has been in force several years. This step has been taken with a view to civic economy and Mayor Yule was responsible for the unanimous decision of the city council.

The council for the next three months will devote energetic attention to a complete survey of the city's financial situation and will carry on an exhaustive research. Says Mayor Yule: "At the end of this three months' period we will know just where the city stands or we will know the reason we don't know. There is one important step I am going to take and in which I have the support of the council, and that is to name a committee of representative citizens to act with the council in an advisory capacity. In important decisions we want consultation with ratepayers of known capabilities. We can get plenty of street advice, but we want the substantial concrete article."

SAVING ON EXCHANGE

Alberta Turned Down Many American Tenders

By Resident Representative.

EDMONTON.—A saving of $15,000 per year in exchange has been made by accepting the highest Canadian tender for Alberta's recent $2,000,000 issue, offsetting some $78,000 more in cash proceeds that would have come from taking the best bid for American payment.

Tenders for the issue, the sale of which was reported last week, were as follows:

American Payment	
Aemilius Jarvis & Co.	100.11
Harris, Forbes & Co., National City Co. and Drake, Ballard & Co.	99.544
Wood, Gundy & Co.	99.29
Dominion Securities and Dillon, Read & Co.	98.97
Continental & Commercial Trusts & Savings Co., Blythe, Witter & Co., Wells & Dickey, W. A. McKenzie & Co., R. A. Daly & Co.	98.83
Housser, Wood & Co. and Miller & Co.	99.51
United Financial Corp.	97.73
Canadian Payment	
Wood, Gundy & Co.	96.21
United Financial Corp.	95.40
Dominion Securities and National City Co.	95.147
W. A. McKenzie & Co., R. A. Daly & Co. and Hanson Bros.	93.28

Transportation of commodities from Detroit to Liverpool in 15 days by way of the St. Lawrence River and Newfoundland, with only one trans-shipment for perishable and two for durable freight, is proposed by a syndicate of British capitalists.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Jan. 25	Brampton	Can. Debenture Corp.	5 & 6%	10-30-yr.	$62,000	100.18	6.50
Jan. 26	Merritton	Dyment, Anderson & Co.	6%	30-inst.	30,000	95.137	6.50
Jan. 22	Salt Ste. Marie	Wood, Gundy & Co.	5½&6%	10-30-yr.	195,500	91.50	6.58
Jan. 22	Dartmouth	Royal Securities Corp.	6%	20-yr.	100,000	95.63	6.40
Jan. 16	Capreal, Ont.	C. H. Burgess & Co.	6%	10&20-yr.	17,000	83.00	7.88
Jan. 14	Lachine, Que.	Rene T. Le Clerc	6%	......	154,000	.....	.....
		INDUSTRIAL					
Jan. 24	Consumers' Gas Co.		6%	15-yr.	550,000		
		PROVINCIAL					
Jan. 25	Ontario	A. Jarvis & Co., and Mont. houses	6%	20-yr.	10,000,000	96.787	6.28

Deflation

Deflation of commodities and merchandise means easy money and lower interest rates. Lower interest rates mean higher prices for investment bonds. Purchasers under present conditions should reap a handsome appreciation in value over a reasonable period of time, enjoying absolute safety with excellent interest rates in the meantime.

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INSURANCE AND REAL ESTATE

EXCELSIOR LIFE CLOSES ANOTHER PROSPEROUS YEAR

Large Increase in Business in All the Company's Departments

INTEREST RATES UP

Large Portion of Assets Invested in First Mortgages and Government Bonds—Mortality Rate Favorable

Substantial growth in all departments of the Excelsior Life Insurance Company during 1920 is revealed in the annual report just forwarded to shareholders. In common with life companies generally this company experienced a large increase in the amount of insurance written during the year, applications for $11,479,234 new insurance being received, an increase over the amount written during the previous year of $1,119,325. There was issued and revived a total of $11,138,242, bringing the total insurance in force at the close of the year up to $40,574,890, as compared with a total of $33,735,247 at the close of the previous period. Net premium receipts amounted to $1,283,029, which represents an increase over the returns for the previous year of $183,010. Total receipts for the year from premiums, interest, rents, etc., amounted to $1,605,597, compared with $1,398,962 for 1919.

Disbursements to policyholders amounted to $483,957, and included the following items: death claims, $233,391; matured investment and endowment policies, $151,168; profits to policyholders, surrender values, etc., $102,397. The rate of mortality was again favorable, being only 57.7 per cent. of the expected, which is a slight advance over the rate of 54.3 per cent. for 1919. The average for the past twelve years now stands at under 52 per cent.

The total assets available for the security to the policyholders now amount to $6,468,457, an increase for the year of $669,820. Some estimate of the monetary aid advanced by insurance companies to the building industry of this country is conveyed by the fact that of total assets the sum of $2,690,205 was made up by first mortgages on real estate. In addition, there was $1,554,252 in Government and municipal debentures; $980,301 in real estate, including the company's head office building, and $526,232 in loans on the company's policies. The average rate of interest earned upon invested assets was increased to 6.87 per cent. for the year, compared with the average of 6.81 per cent. for 1919. As the reserve on the major portion of the company's business, according to the report, is based on a 3 per cent. rate, the large supply of interest earnings will contribute materially to policyholders' profits.

Reserve Fund

The reserve fund was increased during the year by $646,624, the total now standing at $5,197,877. The reserve for depreciation in investments was also increased to $20,394, while a special reserve of $5,000 has been made for death claims before the end of the year but unreported.

The unprecedented volume of new business was a heavy strain on the company's surplus, but notwithstanding the unalloted surplus amounts to $659,141, thereby conveying some evidence of the favorable financial position of the company.

The appointment is announced of Hon. J. L. Perron, K.C., as policyholders' director, to fill the vacancy caused by the death of Thomas Long. Mr. Perron will represent the policyholders residing in Quebec Province.

SARNIA HOUSING COMMISSION

Completes 36 Houses—Asks for Further Grant

SARNIA. — During the eighteen months' operation of the Sarnia Housing Commission $150,000 in loans have been fully subscribed, $100,000 in 1919 and $50,000 in 1920. Of the 47 approved applications received for the construction of dwellings 36 houses have been completed, seven others are nearing completion and four others have not yet been commenced. Twenty-eight of the approved applications have been for returned soldiers, and one for a soldier's widow. The housing shortage is still acute in this city, and the city council has been asked to place the sum of $100,000 to the credit of the commission this year.

WESTERN HOMES, LTD.

Loan Company Declares 7 per Cent. Dividend—To Increase Capital

The annual meeting of Western Homes, Limited, was held in Winnipeg this week. Discussing the affairs of this company, President M. W. Argue states that it was organized and started business in 1915. The original capitalization of $1,000,000 was readily subscribed but in view of the greater demands for capital and the opportunities for sound investment it was deemed advisable to provide more capital. In September last at a special meeting of shareholders it was decided to increase the authorized capital to $5,000,000, and to offer at once 10,000 shares to shareholders and other investors in Manitoba. Applications, he said, had been received for more than 2,000 shares, and it was anticipated that the whole would be disposed of early this year. It was the company's intention, Mr. Argue added, to expand from time to time as conditions and circumstances warranted until the capital outstanding had reached the limit now established.

The company recently declared its eleventh semi-annual dividend at the rate of 7 per cent. per annum.

CONTINENTAL LIFE ESTABLISHES NEW BUSINESS RECORD

New Insurance Written During 1920 Amounted to $4,897,164

Earlier forecasts of a record year's business for Canadian insurance companies during 1920 have been upheld in the series of financial statements issued since the beginning of the year. Without exception each company reports business on an unprecedented scale with a corresponding increase in earnings and profits. The situation has somewhat changed with the new year, however, and the accompanying business and financial depression will no doubt have a tendency to reduce the purchasing power in a great many cases, which will be reflected ultimately in insurance earnings. However, the insurance men are optimistic and look for a continuation of business on a large scale throughout the year.

The Continental Life Insurance Company is the latest to publish its financial statement, and in common with the reports of other companies it is a record of business on an unprecedented scale in the company's history. A substantial advance is recorded against every department.

President G. B. Woods, in the report, states that the past year has been an eminently satisfactory one from the company's standpoint, especially during the first nine months of the year, when Canada was experiencing great prosperity. During the twelve-month period there was a large increase in the amount of new insurance written, the application for new insurance and the revival of policies reaching a total of $5,056,410, while insurance issued and revived amounted to $4,897,164, a gain of more than 20 per cent. over the amount for 1919. The insurance in force at the end of the year amounted to $17,553,656, a gain of $2,530,955 for the year. A table submitted in the report shows the growth of insurance with this company in the past twenty years. In 1900 the insurance in force totalled $705,200. In 1910, the total was $6,367,883, and in 1914, $10,122,943.

Total Income Increases

The net premium income after deducting premiums paid for reinsurance was $587,918, and the income from other sources, $143,555, making the total income $731,473 against total income of $664,769 for the previons period. The payments to policyholders and annuitants, including death claims, matured endowments, dividends on policies and surrender values, were $237,473. The death claims for the year were $76,558 under 49 policies, compared with $88,470 under 56 policies for 1919. The net reserves held by the company for its policy and annuity contracts now amount to $2,666,208.

The assets of the company amounted to $3,043,148 at the end of the year, which includes real estate, first mortgages, call loans, cash on hand, etc., amounting to $2,807,238. The cash statement shows total receipts of $731,473, and expenditures of $485,336, leaving an excess of receipts over expenditures of $246,137.

CONFEDERATION LIFE COMPLETES A RECORD YEAR

Despite Falling Off in Demand for Insurance During Later Months

POSITION IMPROVES

Many Short-Term Bonds and Debentures With Low Interest Rates Sold for Re-Investment

A new record of insurance written in one year has been established by the Confederation Life Association, the annual statement just issued showing applications for new insurance during 1920 amounting to $35,904,642, of which amount $34,203,226 was approved, and policies issued, in comparison with a total of new and revived business for 1919 of $31,268,527. The total insurance in force at the close of the year reached $135,624,925, which is a gain of $23,143,551 over the previous year, after deducting the insurance terminated during the year.

J. K. MacDonald, president of the company, in his report reviews the conditions which the life insurance companies have faced during the past year. The first seven months, he pointed out, were marked by substantial increases in the amount of new insurance issued in Canada, as well as agencies outside of Canada. The feeling of uncertainty in regard to business conditions generally began to make itself felt shortly after the middle of the year. This, combined with conditions affecting the grain crops, which necessitated a reduction in the earlier estimates as to yield, together with the drop in the price of wheat, had an adverse effect upon the life insurance business. Under such conditions, Mr. MacDonald continued, it could not be expected that the rate of increase in the amount written during the first seven months would be maintained during the latter part of the year. Nevertheless it was gratifying to be able to report a substantial volume of new business.

Net Revenue Grows

The net revenue from premiums and annuities during the year amounted to $5,272,550, being $915,480 more than for the previous year. The net revenue from interest and rents totalled $1,391,485, which was $107,517 in excess of that for 1919. There was an increase in death claims, which, after deducting reinsurance, amounted to $974,356, an increase of $103,430. Matured endowments totalled $471,831, being a decrease of $197,196, while total payments to policyholders amounted to $2,384,398, which is $433,842 less than in 1919.

The investments of the association, President MacDonald points out, have had as usual the careful attention and consideration of the directors. Advantage was taken of the opportunity to dispose of short-dated bonds and debentures purchased at a time when interest rates were low, for reinvestment in first-class securities yielding higher rates of interest. Assets total $27,213,246, while net invested assets stand at $25,830,360, which compares with $23,466,456 for the previous year. This is made up by first mortgages on real estate, $5,412,081; bonds and debentures, $13,200,019; real estate, including the company's buildings at Toronto and Winnipeg, $2,225,048; loans on company's policies, $3,316,448, and cash in bank, $512,789. Applications for loans on mortgage during the year, chiefly on farm properties, amounted to $1,205,900, and of these, loans to the amount of $870,200 were approved. In accordance with past practices adopted by this company, loans were limited in all cases to less than 50 per cent. of the value of the properties. Bonds and debentures, including Government loan, were purchased during the year to the amount of $3,564,691, while the total paid off or sold was $1,519,730.

Loans on policies during the year showed a steady increase from month to month, the demand being more marked during the latter part of the year. This was attributed to the opportunities of investment at interest rates in excess of those charged by the association on its policy loans, as well as to the policy of the banks in reducing credits as far as possible.

John D. Rockerfeller, Jr., has contributed $1,000,000 for the relief of Starving European children.

CENTRAL PROPERTY
Warehouses, factories, office buildings, stores, bank sites, garages, industrial sites and all kinds of central properties are handled exclusively by our BUSINESS PROPERTY DEPARTMENT.
Every facility afforded for tangible results. Expert valuations made.
We suggest that you consult us before purchasing or selling your property.
ROBINS LIMITED
Kent Bldg. Adel. 3200

Over 30,000 Claims Paid to Satisfied Policyholders
Merchants Casualty Company
HOME FFICE:
Electric Ry. Chambers - Winnipeg

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - - $8,000,000.00
Losses Paid Since Organization - - - - $77,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D.; Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O.; E. R. Wood.
Assets over - - - $4,300,000.00
Losses Paid Since Organization, over - - $47,000,000.00

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH, Managing Director.

VICTORY BONDS
Premier Canadian Security
TO YIELD FROM
5.68% to 6.38%
We advise the purchase of these Bonds
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Industrial Chemists, Consulting Engineers and Inspectors
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Appoint this firm your adviser and agent in connection with Western real estate, industrial and commercial locations, investments, etc.
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CALGARY ALBERTA

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STERLING SECURITIES
now held in
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Buying and selling
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Accurate Knowledge

Makes the difference between profit and loss. Consult us when considering investments.

Security—then Profit.

A. ANGUS MACDONALD & CO.
C.P.R. BLDG. TORONTO

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727.

Paid-up Capital .... £ 2,000,000
Rest and Undivided Profits.. 1,082,276
Deposits 39,114,127

Head Office:
St. Andrew Square, Edinburgh.
Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.
London Office—3, Bishopsgate, E.C. 2.
Wm. Wallace, Manager.
Glasgow Office—Royal Exchange Square and Buchanan Street.
Thomas Lillie, Agent.

172 Branches throughout Scotland.

Banking business of every description transacted. Deposits received at interest repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers issued—available throughout the world. Foreign Exchange. Accounts opened and Agency business undertaken for Foreign and Colonial Banks and other financial establishments. Correspondence invited.

Industrial Production and Efficiency Engineer

Thoroughly experienced in labour, materials and production control, organization, management, costs and time study for rate setting and fatigue, also organizing and operating, planning and industrial relations, wishes position with progressive corporation.

BOX 72, MONTREAL

Edmonton, Alberta, Canada

A large and fast growing wholesale business concern which has been doing business in Edmonton for the last nine years, with a turnover of over half million dollars, and wishing to expand field of operations, requires 10 to 20 thousand additional capital. Will give occupation to one or two working partners, and will stand strict investigation. All replies treated strictly confidential.

Box 73, FINANCIAL POST

ONTARIO EQUITABLE

In the first three months of its existence, the Ontario Equitable Life and Accident Insurance Company, of Waterloo, which opened its offices on October 1 last, has probably established a record for business closed. In that period the company has sold over $600,000 of stock, and received applications for insurance in excess of $1,000,000. The company has the advantage of entering the field at a time when all gilt-edged securities can be obtained at bargain prices.

Sir Robert Hadfield, of London, receives the John Fritz gold medal, highest honor in gift of American engineers, for discovery of manganese steel. During the war 9,000,000 Hadfield manganese steel helmets were used by the British, Belgian and American armies in France.

CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on Jan. 25. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active.

Capitalization			Div. Rate	Yield to Jan 18	COMPANY	Range 1920		Range 1921 to Jan. 18		Close Jan. 24		Week ending Jan 25			Sales
Preferred	Common	Bonds and Debentures				High	Low	High	Low	Ask	Bid	High	Low	Close	
...	5 000 000	6 160 600	6	10.90	Abitibi Power & Paper com	87	49¾	58	44	56	55	58	55	56½	1,381
1,000 000	...	...	7	8.04	Abitibi Power & Paper pref	99	85	86¾	...	90	...	87	87	87	50
...	6 594 300	...	...	...	Amer. Cyanamid com	36	33	...	...	...	...	...	...	...	...
994 200	...	...	6	...	Amer. Cyanamid pref	65	62	...	...	...	...	...	...	...	...
...	3 500 000	1 473 666	...	...	Ames-Holden com	137½	10	25	20	26	23¾	25	25	25	135
2 500 000	...	...	7	15.90	Ames-Holden pref	114¾	27	44½	30	41½	41	45½	40	42	208
...	614 660	537 442	...	...	Amer. Salesbook com	7½	5	...	...	...	...	...	...	...	...
3 073 300	...	...	7+1¼	9.45	Amer. Salesbook pref	83¼	70	74	72	77	74	77	76	77	30
...	3 000 000	2 940 000	6+1¾	7.59	Asbestos Corp. com	103	64	79½	77	...	81	82	79	80½	334
4 000 000	...	...	8	8.69	Asbestos Corp. pref	108	83	93¼	88¼	95	93½	95	94	95	90
...	3 500 000	1 345 000	10	...	Atlantic Sugar com	164	16	33¾	20¼	32½	31¾	33	30	32	2,770
2 500 000	...	...	7	8.28	Atlantic Sugar pref	184	24½	...	...	...	...	...	...	...	...
8 483 500	27 450 000	54 063 875	...	...	Barcelona Traction	9¼	3¼	4½	4	4⅛	4¼	4½	4⅛	4⅛	870
...	22 336 300	11 149 000	8	7.80	Bell Telephone	111¾	100	102	99¼	108	106¾	107½	102	107	490
...	4 282 200	...	6	14.63	B. C. Fishing	66	34¾	45	38	46	45	45	40½	45	319
10 000 000	106 566 300	77 192 132	...	...	Brazilian Traction com	51¼	28	36	30¾	33⅜	33⅜	35½	32½	33	4,536
...	858 500	17 234	10	9.52	Burt. F. N. com	110	88	109	101½	107¼	105	107	107	107	20
1 866 700	...	...	7	6.60	Burt. F. N. pref	110	90	107	96½	107	105	107	105	107	25
2 000 000	7 000 000	2 375 000	7	13.46	Brompton Paper	85	42¾	57	51¼	55¼	55	57¼	53	55¼	8,916
...	2 500 000	1 146 872	...	...	Canada Bread com	32½	19	22	19¾	22	21½	22	21½	21½	75
1 250 000	...	...	7	8.23	Canada Bread pref	86½	84	85	...	...	...	...	...	...	...
...	4 975 000	7 757 822	...	...	Can. Car & Fdry com	74	29	43	31	...	...	43	43	43	80
7 500 000	...	...	7	9.21	Can Car & Frdy. pref	109	67	76	64	78	...	79	75	75	388
...	13 500 000	6 509 573	6	9.37	Canada Cement com	75	54¼	64½	56½	65½	65	66¾	64	64	2,382
10 500 000	...	...	7	7.69	Canada Cement pref	100	88½	91	90	...	91	93¾	91½	93½	82
...	1 733 500	399 000	7	11.29	Can. Converters	80	61	62	59	65	...	65	63½	65	48
...	2 805 500	9 500 000	...	...	Can. Cons Rubber com	100	87¾	...	...	...	...	...	...	...	...
3 000 000	...	...	7	7.00	Can. Cons. Rubber pref	95	92	...	...	...	...	...	...	...	...
...	2 715 500	4 567 105	8	10.66	Can. Cottons com	100	71	76½	72	77	76	76	76	76	80
3 661 500	...	...	6	8.33	Can. Cottons pref	83	66	72	70	...	...	...	...	...	...
...	960 000	173 200	12	...	Can. Forgings, com	257	75	...	...	...	...	...	...	...	...
960 000	...	...	7	7.60	Can. Forgings, pref	92	91	...	...	...	...	...	...	...	...
...	8 000 000	...	8	7.92	Can. Gen. Electric com	109	93¾	101	94	104	103	105	102½	104	504
2 000 000	...	...	7	7.44	Can. Gen. Electric pref	104	90	95	90	...	95	96	94	96	162
...	2 000 000	1 500 000	8	9.52	Can. Locomotive com	100	80	...	...	86	85	86	82	85	154
1 500 000	...	...	7	8.23	Can. Locomotive pref	95	80	85¾	83	86	85	86	84	85	27
80 681 921	260 000 000	271 934 882	10	7.51	Can. Pacific Railway	142	125	141	133	132	133	135	131	131	477
...	800 000	369 000	8	8.88	Can Salt	147	85	...	...	...	...	...	...	...	...
...	12 000 000	7 979 619	7	14.28	Can. Steamships com	80¼	34	50⅛	46½	47	46	49¼	46½	48½	1,384
12 500 000	...	...	7	9.52	Can. Steamships pref	85	60½	74	65	73	72½	73½	73	73	581
...	1 200 000	454 500	...	...	Carriage Fact. com	49½	7½	...	...	20	12	20	12	20	155
1 200 800	...	...	...	...	Carriage Fact. pref	90½	72¼	...	...	...	...	...	...	...	...
...	565 000	...	...	...	City Dairy com	62	50	55	...	...	...	...	...	...	...
700 000	...	...	7	8.53	City Dairy pref	99	85	82	...	...	81	82	82	82	5
...	5 360 700	...	10	7.57	Consumers Gas	150	125	132	124¾	136	135	137	133	135	714
...	6 212 666	...	6	13.04	Crow's Nest Coal	59¾	40	47	45	...	...	...	...	...	...
...	15 000 000	35 757 500	8	8.98	Detroit United Rly	113¾	79¾	90¼	88	91	89	90	89	89	250
...	6 500 000	...	8	8.88	Dominion Bridge	115	69	90	76	92½	...	92	90	92	231
...	2 796 300	1 719 410	...	...	Dom. Canners com	66¾	26	40	34	42	40	42½	37¾	40	2,235
2 290 600	...	...	7	8.75	Dom. Canners pref	90	79	80	78	...	80	80	80	80	10
3 000 000	15 000 000	5 864 500	7	9.65	Dominion Coal pref	97½	70	72½	63½	78	77⅞	78	78	78	50
...	4 250 000	1 683 363	6	10.08	Dominion Glass com	69¼	57	60	56	...	...	64	60	67	410
2 600 000	...	...	7	8.64	Dominion Glass pref	91	82¾	81	77½	...	82	82	81	82	133
5 000 000	25 000 000	13 434 313	7	9.72	Dominion Iron pref	92	65	73	68	75	72	72	72	72	40
7 000 000	37 100 000	20 450 682	6	12.63	Dominion Steel Corp	82½	39	49	42	47	46	48	47	47½	757
...	1 000 000	...	6	7.22	Dom. Telegraph	91¾	80	83	81	...	...	...	...	...	...
...	5 000 000	4 767 500	10	9.34	Dom. Textile com	146½	96½	108	104	111	...	111	108	111	506
1 940 600	...	...	7	7.52	Dom. Textile pref	105	89	93	89½	...	...	94	94	94	10
1 500 000	3 500 000	3 500 000	4	...	Duluth Superior	28	12	13	...	...	12¾	13	13	13	15
...	2 250 500	950 000	...	...	Goodwins com	35	26	...	...	...	...	...	...	...	...
1 750 000	...	...	7	9.33	Goodwins pref	95	75	...	...	...	...	...	...	...	...
...	1 000 000	225 000	...	...	Holt Renfrew com	70	62	...	...	...	...	...	...	...	...
1,000,000	...	...	7	8.75	Holt Renfrew pref	85	80	...	...	...	...	...	...	...	...
...	2 500,000	800,000	8	8.00	Howard Smith Paper com	167	74½	110	100	...	...	100	100	100	2
1,500,000	...	...	8	8.69	Howard Smith Paper pref	107½	91	92	...	...	92	92	91	92	115
7,289,500	...	...	6	9.09	Illinois Traction perf	70	64	66	65	70	69	70	68	69	105
500,000	6,267,005	...	25c.	...	International Petroleum	82	20	...	...	...	...	...	...	...	...
...	2,198,018	1,902,500	8	9.19	Kaministiquia	97	83½	87	...	...	...	92	92	92	22
...	2,800,000	900,000	12	8.45	Lake of the Woods com	220	130	142	135½	...	147	147	146	147	40
1,500,000	...	...	7	7.44	Lake of the Woods pref	112	93½	94	...	...	...	...	...	...	...
...	9,600,000	565,778	6	6.52	Laurentide Paper	125	81	95	91	94	93	94½	92	93	825
1,300,000	1,750,000	934,900	8	10.81	Lyall Construction	99	35	74	47½	73	70	75	70	70	1,888
2,388,600	3,000,000	...	...	...	Macdonald A. com	44¼	19	25	20	25	24¾	25	22	25	251
...	41,380,400	...	6	8.33	Mackay com	79¼	67¼	72	69	77½	77	80	73	77¼	491
50,000,000	...	...	4	6.15	Mackay pref	74	61	65	64	...	63	64	63½	64	21
...	2,500,000	...	12	8.33	Maple Leaf Mill com	196	133	145¼	138	...	...	...	...	...	...
2,930,000	...	...	7	7.36	Maple Leaf Mill pref	104	92	95½	93	...	94	95	95	95	36
...	1,275,000	...	...	...	Monarch Knitting com	75	60	...	...	...	...	...	...	...	...
750,000	...	...	7	8.97	Monarch Knitting pef	90	85	78	...	85	...	80	80	80	5
...	2,949,600	...	6	8.00	Montreal Cottons com	87	78	75	...	...	...	...	...	...	...
2,949,600	...	...	7	7.69	Montreal Cottons pref	105	90	91	90	...	...	...	...	...	...
...	64,126,100	...	5	5.88	Montreal L.H. & P. cons	90	76	86	81¼	85¼	85	86	85	85¼	807
...	2,000,000	...	8+½	7.27	Montreal Telegraph	124	110	111½	110	...	...	...	...	...	...
...	3,861,070	36,608,153	10	8.00	Montreal Tramways	155	125	125	...	127½	...	127½	125	125	40
...	2,254,300	1,580,000	4	7.67	National Breweries com	70	39¾	54½	48½	53¼	53⅛	54½	52	52¾	3,455
2,775,000	...	...	7	7.36	National Breweries pref	97	93	...	...	...	...	...	...	...	...
...	2,000,000	...	...	...	Nat. Steel Car com	12	3	4	...	...	4½	4½	4	4½	157
1,500,000	...	...	7	...	Nat. Steel Car pref	41½	21	28	22	...	...	...	...	...	...
...	15,000,000	11,102,437	5	12.82	N. S. Steel & Coal com	80	33½	41	37	41	40	40	39	40	135
1,000,000	...	...	8	10.66	N. S. Steel & Coal pref	107	75	...	...	...	...	...	...	...	...
...	2,500,000	2,350,000	12	6.00	Ogilvie Milling com	280	175	200	180	225	200	207	206	207	20
2,000,000	...	...	7	7.00	Ogilvie Milling pref	105½	97	100	99	...	99	100	100	100	134
...	750,000	538,200	8	13.33	Ont. Steel Products com	89	50	60	58	...	58	70	58	70	310
750,000	...	...	7	...	Ont. Steel Products pref	89½	89	...	...	...	...	...	...	...	...
...	3,500,000	2,125,000	6	8.57	Ottawa L. H. & P.	81	70	...	...	70	68	70	70	70	48
...	650,000	...	2	5.71	Pacific Burt. com	42	30¾	35	34	...	...	...	...	...	...
650,000	...	...	7	9.21	Pacific Burt. pref	85	76	76	...	...	77	79	78	79	20
...	2,150,600	2,000,000	8	8.24	Penmans Ltd. com	148½	93	98	95	100	95	100	100	100	10
1,075,000	...	...	6	7.40	Penmans Ltd. pref	91½	74	81	78	...	78	81¼	79	81½	98
...	749,500	...	...	...	Port Hope Sanitary c	27	25	...	...	...	...	...	...	...	...
400.000	...	...	7	...	Port Hope Sanitary pre	42	30¼	...	...	...	...	...	...	...	...
...	3,000,000	3,837,666	4	...	Porto Rico Rlys. com	50	28½	40	37	42½	39	40	40	40	13
1,000,000	...	...	7	10.60	Porto Rico Rlys. pref	79	60	66¾	64	...	67	70	69	70	25
...	8,534,200	5,372,098	8	3.20	Price Bros.	385	250	253	250	...	...	250	250	250	5
...	2,481,300	95,000	6+1	6.66	Provincial Paper com	132	80½	90	...	95	90	93	87¾	92½	22
1,700,000	...	...	7	8.04	Provincial Paper pref	100	85	...	...	...	...	...	...	...	...
...	9,999,500	11,045,000	...	...	Que. Railway L.H.	36¾	18	24	22	25½	25	27	23¾	25¾	6,632
...	4,500,000	5,909,400	10	7.75	Riordon Paper com	226	126½	139	126¾	140	138	149½	131	148	2,357
1,500,000	...	...	7	8.43	Riordon Paper pref	101½	83	...	...	85	...	80	80	80	25
...	1,500,000	502,000	...	...	Rogers Wm. com	71	52	55	...	55	50	53	53	53	12
1,122,800	...	...	7+1¾	8.04	Rogers Wm. pref	102	80	87	...	87	83	85	85	85	5
...	800,000	...	7	9.33	Russell Motor com	89	70	...	...	...	...	...	...	...	...
1 200,000	...	...	7	11.66	Russell Motor pref	98	40	60	46	...	60	65	60	60	12
...	1,500,000	478,868	...	...	Sawyer-Massey com	20	13	...	...	15	...	15	15	15	10
1,500,000	...	...	...	...	Sawyer-Massey pref	67¼	35	51	45	51	48	51	50	51	20
...	20,000,000	9,353,261	7	6.60	Shawinigan W & P.	119½	97½	109½	104½	107¾	...	108	106	108	813
...	4 000,000	2,226,006	6	...	Sherwin Williams com	119	75	...	...	...	...	...	...	...	...
3,425,000	...	...	7	8.13	Sherwin Williams pref	100	85¾	...	...	90	88	90	87	90	12
...	8,750,000	...	8	6.15	Shredded Wheat com	142	130¼	130	...	...	...	...	...	...	...
1,250,000	...	...	6	6.12	Shredded Wheat pref	98	98	...	...	...	...	...	...	...	...
...	8,000,000	10,332,113	7	8.53	Spanish River Pulp com	129	75	89¼	80½	83¼	83	85	81¾	83	1,965
5,699,100	...	...	7	7.69	Spanish River Pulp pref	149	82	95	90	1½	90½	94	90½	92¼	4,721
...	11,500,000	8,562,225	7	11.11	Steel of Canada com	88½	54¾	63¼	59	63½	63	64	62	63¼	910
6,496,300	...	...	7	7.69	Steel of Canada pref	01¼	85¾	91	86½	...	90	92½	91	91	117
...	1,200,000	160,590	6+1	9.37	St. Lawrence Flour com	139	59	74	61½	72	71½	75	71½	61½	146
575,000	...	...	7	7.36	St. Lawrence Flour pref	98½	92	...	...	...	...	...	...	...	...
...	7,894,000	1,440,000	...	...	S. Maurice Paper	170	123	120	...	...	...	...	...	...	...
...	650,000	...	...	...	Tooke Bros. com	86	67	...	...	...	...	...	...	...	...
985,000	...	...	7	9.33	Tooke Bros. pref	91	83	75	...	...	...	...	...	...	...
...	12,000,000	2,502,306	...	...	Toronto Railway	65	35	65	59½	64½	64	64¾	63	63½	886
...	2,500 000	...	4	9.75	Tuckett Tobacco com	57½	41	42½	41	...	46½	48¾	43	48¾	169
2 000,000	...	...	7	8.53	Tuckett Tobacco pref	93	81	82	...	86	...	83	83	83	5
3,000,000	22,000,000	20,213,000	...	...	Twin City com	49	31½	45	43½	...	46	47	44	47	87
...	1,750 000	891 000	4	8.69	Wabasso Cotton	135	48	46	42½	...	45	48	48	48	2
...	5,000,000	3,302,600	6	7.63	Wayagamack	150¼	71	89	76½	81	80	83	79	81	435
...	2,449,588	1,371,557	8+15	6.66	West. Can. Flour	145	105	...	...	...	...	...	...	...	...
...	9,000,000	10,130,000	...	...	Winnipeg Rly	38	26	41¼	36	41	39	40	39	40	597
...	1,500,000	600,000	1½+2	4.13	Windsor Hotel	100	70	145	120	...	...	...	...	...	...
...	1,718,600	410,000	8+5	8.00	Woods Mfg. com	110	9[illegible]½	...	...	...	...	...	...	...	...
1546 500	...	...	7	8.53	Woods Mfg. pref	86	78¼	...	...	...	...	...	...	...	...

BANKS

Capital	Reserve	Div. Rate	Yield to Jan. 18	BANKS	Range 1920 High	Range 1920 Low	Range 1921 to Jan. 18 High	Range 1921 to Jan. 18 Low	Close Jan. 25 Ask	Close Jan. 25 Bid	Week Ending Jan. 25 High	Low	Close	Sales
15,000,000	15,000,000	12+1	6.25	Commerce	199½	173¾	200	179¾	191	189	190	188	190	393
6,000,000	7,000,000	12+1	5.94	Dominion	206	190	202	191½	...	203	204	201½	204	30
4,000,000	4,200,000	12	6.59	Hamilton	194	168	182	169¼	185	184½	185	134	185	62
4,000,000	4,000,000	10	6.57	Hochelaga	158½	151	153	151	...	...	153	151	151	107
7,000,000	7,500 000	12	6.38	Imperial	200	184	188	185	...	189	190	188	190	43
8,400,000	8,400,000	12	6.74	Merchants	203	158	182	168	179	...	180	174⅞	175½	98
4,000,000	5,000,000	12	7 05	Molsons	194	169	170	168½	...	173	174	170¼	174	15
22,000,000	22,000,000	12+2	5.68	Montreal	220½	185	211	195½	211	...	212	209	209	255
2,000,000	2,300,000	12	6.89	Nationale	174	162¾	174	171	...	...	...	...	...	...
9,700,000	18,000,000	16	6.27	Nova Scotia	273	243	255¼	249	265	261	265	260	265	56
20,134,010	20,134,010	12+2	5.88	Royal	233½	189½	208	193½	206	204	204½	203½	203½	154
3,500,000	4,500,000	14	6.94	Standard	222	200	205	198	...	204½	205	198	201½	181
5,000,000	6,000,000	12	6.25	Toronto	197	179	192	182	...	190	192	182	192	1
8,000,000	6,000,000	10+2	6.53	Union	161	139	157	146	...	154½	156	152½	156	98

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	Div. 1920	Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale	LOAN, TRUST AND INSURANCE	Div. 1920	Div. Rate 1921	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale
Canada Landed	10	10	150¼	110	135	...	130¼	Montreal Loan	12	...	165	155	...	...	155
Canada Permanent	10	10	178	157	...	170	170	National Trust	11	12	230	198	195	190	198
Central Canada	10	10	...	...	...	...	...	Ontario Loan	10	10+¼	160	155	...	160	155
Col. Investment pref	6	6	82	67	78	77	78	Real Estate Loan	7	7	95	92	...	...	92
Dominion Savings	5	5	72	72	...	70	72								
Great West. Per.	5	...	...	...	...	...	89¼	Toronto General Trusts	10+1	12	211	196¼	200	180	180
Hamilton Provident	9	9	146	145	145	140	140	Toronto Mortgage	9	9	135	129½	...	130	132¼
Huron & Erie	6+1	6	113¼	110	...	112½	112½	Toronto Savings	10	10	.....	...	...	...	185
Landed Banking	8	8	142	141	140	137	141	Union Trust	7	7			105	...	100
London and Canadian	9	9	126	110	...	112	115	Confederation Life	20	20	310	300	...	...	...

EIGHTY-NINTH ANNUAL REPORT

The Bank of Nova Scotia

Capital Paid-Up, $9,700,000 Reserve Fund, $18,000,000

PROFIT AND LOSS

Balance Dec. 31st, 1919	$ 704,172 88
Net profits for year, losses by bad debts estimated and provided for	2,327,422 44
	$3,031,595 32
Dividends for year at 16%	$1,552,000 00
War Tax on circulation to December 31st, 1920	97,000 00
Contribution to Officers' Pension Fund	100,000 00
Written off Bank Premises Account	300,000 00
Balance carried forward December 31st, 1920	982,595 32
	$3,031,595 32

RESERVE FUND

Balance December 31st, 1919	$18,000,000 00
Balance forward December 31st, 1920	$18,000,000 00

GENERAL STATEMENT AS AT DECEMBER 31st, 1920

LIABILITIES

Capital Stock paid in		$ 9,700,000 00	
Reserve Fund		18,000,000 00	
Balance of Profits, as per Profit and Loss Account		982,595 32	
Dividends declared and unpaid		390,834 34	
			$29,073,429 66
Notes of the Bank in circulation		21,004,637 58	
Deposits not bearing interest	$39,264,930 34		
Deposits bearing interest, including interest accrued to date	145,480,914 92	184,745,845 26	
		205,750,482 84	
Balances due to other Banks in Canada		1,317,462 85	
Balances due to Banks and Banking Correspondents in the United Kingdom		141,631 74	
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		1,606,231 41	
Bills Payable		409,728 90	
			209,225,537 74
Acceptances under Letters of Credit			1,405,415 88
			$239,704,383 28

ASSETS

Current Coin	$13,002,785 77
Dominion Notes	21,126,075 25
Notes of other Banks	3,469,230 40
Cheques on other Banks	10,190,089 83
Balances due by other Banks in Canada	350,000 00
Balances due by Banks and Banking Correspondents in the United Kingdom,	3,873,992 57
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	2,998,271 44
	55,010,445 26
Deposit in the Central Gold Reserves	12,750,000 00
Dominion and Provincial Government securities, not exceeding market value	13,343,226 81
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	20,232,222 20
Railway and other bonds, debentures and stocks, not exceeding market value	3,419,407 14
Demand loans in Canada secured by grain and other staple commodities	15,183,998 73
Call and demand loans elsewhere than in Canada	16,528,512 76
	136,467,812 90
Call and demand loans in Canada secured by bonds, debentures and stocks	6,012,415 09
	142,480,227 99
Deposit with the Minister of Finance for the purposes of the circulation fund	492,822 75
Loans to governments and municipalities	2,445,219 06
Other current loans and discounts in Canada (less rebate of interest)	73,103,489 00
Other current loans and discounts elsewhere than in Canada (less rebate of interest)	13,942,283 10
Liabilities of customers under Letters of Credit, as per contra	1,405,415 88
Overdue debts, estimated loss provided for	107,295 82
Bank Premises at not more than cost, less amounts written off	5,202,069 08
Real Estate other than Bank Premises	133,908 23
Other assets not included in the foregoing	391,652 37
	$239,704,383 28

G. S. CAMPBELL, Vice-President. H. A. RICHARDSON, General Manager

AUDITORS' CERTIFICATE

We have examined the books and accounts of The Bank of Nova Scotia at its Chief Office and have been furnished with certified returns from the Branches, and we find that the above statement of Liabilities and Assets as at December 31st, 1920, is in accordance therewith. The Bank's investments and the securities and cash on hand at the Chief Office and at several of the principal Branches of the Bank were verified by us as at the close of business December 31st, 1920, and in addition we visited the Chief Office and certain Branches during the year, when we checked the cash at the Chief Office and verified the securities and found them to be in agreement with the books. We have obtained all information and explanations required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank. And we certify that the above statement of Liabilities and Assets as at December 31st, 1920, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

A. B. BRODIE, C.A.
D. McK. McCLELLAND, C.A. } Auditors.
of the firm of Price, Waterhouse & Co.

Toronto, Canada, 15th January, 1921.

MONTREAL LIGHT, HEAT & POWER CONSOLIDATED

18th Dividend

NOTICE is hereby given that a Dividend of One and One-Quarter per cent. on the Paid-up Capital Stock of the Company (being at the rate of Five per cent. per annum), for quarter ending January 31st, 1921, has this day been declared:

1st—To shareholders of record January 31st, 1921, on the Montreal and London, England, Registers.

2nd—To holders of share-warrants in redemption of coupon serial No. 18.

Dividend cheques will be mailed to registered shareholders February 15th, 1921; share-warrant coupons will be redeemed on presentation at the Company's office, 315 Power Building, Montreal, or at the Banking House of Messrs. Aldred & Co., 1 Rue des Italiens, Paris, France.

By order of the Board,
C. S. BAGG,
Secretary-Treasurer.
Montreal, January 19th, 1921.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Tuesday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1921.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st January, 1921.

The Merchants Bank of Canada

QUARTERLY DIVIDEND

A DIVIDEND of Three Per Cent. for the Current Quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid Up Capital Stock of the Bank, was declared payable on 1st February next to Shareholders of record on the evening of 15th January, stock not fully paid up on 1st November to participate from that date on the amounts then paid up and on subsequent payments from the dates thereof.

By Order of the Board.
D. C. MACAROW,
General Manager.
Montreal, 28th December, 1920.

Wayagamack Pulp & Paper Company, Limited

DIVIDEND NO. 5.

NOTICE is hereby given that a dividend of ONE AND ONE-HALF (1½%) per cent. has been declared on the Capital Stock of the Company for the Quarter ending 28th February, 1921, payable 1st of March, 1921, to Shareholders of record at the close of business on the 15th February, 1921.

By Order of the Board.
E. L. WILSON.
Secretary.

DRAYTON ADVISES SHOE MANUF'R'S TO REDUCE IMPORTS

Over-Production and Too Many American Shoes Cause Depression

TAX CHANGE RUMOR

Failure of Retailers and Dealers to Make Prompt Payments Has Caused Embarrassment to Mfrs.

Two very pertinent reasons for the unsatisfactory condition of the boot and shoe industry are emphasized by manufacturers. Briefly, these are over production and excessive importations. Like many another industry, the depression in the shoe trade is blamed finally on the overproduced market, whatever may have been the originating causes. Unlike the tire and motor industries, however, the shoe manufacturers were not stampeded into large factory and machine developments; the sudden increase of business which was thrust upon them was accepted only in so far as existing equipment could produce the goods. Perhaps to this is in some measure attributable the few failures that have been noted in this sorely tried business.

Banks Lend Support

The maximum absorptive capacity of the Canadian market is estimated to be approximately 17 millions of pairs per year. Figures are in hand to show that the orders booked during the first months of 1920 were at the yearly rate of about 25 million pairs. To conservative observers a period of falling prices was clearly indicated at that time; this, together with the public sentiment against high prices had the effect of curtailing boot and shoe production to a greater extent than was felt in other lines of industry.

That a turn for the better is to be looked for almost at once was the feeling at the recent convention of boot and shoe manufacturers in Toronto. It was felt that sufficient time had elapsed to permit the absorption of the over production. On the other hand the condition of bank discounted paper is not so hopeful of the future. While some of the manufacturers express appreciation of the treatment accorded them by banks, they point out that this was the usual time of the year for discounted paper to be greatly reduced, as returns had usually been received for goods shipped in the fall. This year, however, this is not the case; the cancellation of contracts, the large amount of goods that the dealers have thrown back on the manufacturers' hands, and the slowness of collections, have all made it impossible for the manufacturers to reduce their liabilities at the banks and seems to indicate that further liquidation is necessary. It is contended by the manufacturers that such liquidation would not necessarily mean lower prices. They say the prices as now offered are below actual costs of production. It was felt that in some cases these reductions had also been made by the retailers, but on the whole the manufacturers are of the opinion that the retailer has not repriced his goods at replacement values.

Taxes and Tariffs

Speaking on the troublesome questions of tariff and taxes, Sir Henry Drayton remarked that while he could not announce that any decision had as yet been reached one way or the other, pointed out to the manufacturers that the sovereign cure for their present slack season was to put in force the proper means to induce Canadian people to appreciate and therefore buy Canadian-made shoes and other commodities.

"In the last month for which we have records, there were imported into Canada $1,600,000 worth of shoes, mostly from the United States. Can you tell me, gentlemen, why Canadians buy American shoes at a time when your factories are entirely, or at least partially, closed? It is not a matter of quality, for the grade of Canadian shoes are on the average equal to American makes and in some cases far superior, it is rather because the buyers have a fancy for the American product and it is up to you as Canadian producers to show them their mistake. It is a case where every citizen must make up his mind to buy as near to 100% of Canadian goods as the products of this country will allow. Only by so doing can we hope to work out our national problems and to restore our trade and money exchange to normal.

"As far as the excess business profits tax is concerned, I may say that with all its admitted faults, it, or some means of collecting the extra profits which I feel all right-minded Canadians are willing to turn over to the Government, will have to continue in order that we may have the funds to meet the greatly accumulating payments still arising out of the war. I can, however, say that as a result of the working out of the tax we will soon be able to announce wide modifications which I trust will largely eliminate the troubles that have borne upon you and yet not destroy the revenue-producing worth of the tax. But above all these things I must repeat emphatically the solution of our present difficulties lies in great measure in a change of our buying policies, so as to keep Canadian money in Canadian pockets; Canadian goods in use in Canadian homes and—Canadian feet in Canadian shoes."

HOME APPLIANCE COMPANY

A New Industry Recently Launched at Winnipeg

WINNIPEG.—The Home Appliance Manufacturing Company, recently organized under a Dominion charter, will undertake the production of electric washing machines here shortly. The company is a local concern and is capitalized at $250,000. Winnipeg investors are said to have shown particular interest in this industry. Inquiries for large orders of machines from some of the largest wholesale dealers are said to be coming in freely. The officers include A. E. Cox, president; W. R. Smith, vice-president and manager; J. R. Campbell, secretary-treasurer, and G. C. DeBell, mechanical superintendent.

IMPROVED POSITION FOR UNION TRUST CO.

Business Shows Substantial Increase—Contingent Reserve of $50,000

The annual report of the Union Trust Co., which has been mailed to shareholders, shows that substantial progress has been made during the year 1920. There has been an increase in the company's business, mortgages in the guaranteed trust account now standing at $4,284,440, compared with $3,900,045 a year ago. The proportion of assets held in liquid form is large, there being $275,029 in Canadian and provincial securities, $41,473 in Canadian municipal debentures, $492,846 in other bonds and debentures and $144,515 in cash. President H. F. Gooderham points out that in every department of the company's business the year has been marked by activity and development.

Profits for the year amount to $110,141 compared with $113,574. Heavy expenses were involved in the fitting of a new head office in Toronto, and in connection with the Winnipeg branch as well. Dividends at 7 per cent. were paid as usual, amounting to $70,000. Head office fittings and other extraordinary expenses called for $6,632. Taxes and fees required $13,342, compared with $10,446 for 1919. The balance carried forward was $96,835, compared with $76,663. A contingent reserve of $50,000 has been set up and other reserve appropriations made against depreciation in bonds and debentures, mortgages and real estate in addition to the general reserve fund of $450,000.

SOUTHERN CANADA POWER

Net Earnings Showing Marked Advances Over Year Ago

MONTREAL.—In spite of the slowing down of several of the industries that they supply with power the earnings of the Southern Canada Power Company for the month of December showed a good increase over the corresponding period of 1919, the gross being over 18 per cent. and the net over 30 per cent. For the first quarter of the new fiscal year the net earnings advanced some 25 per cent. The figures for the two periods are as follows:

	Dec., 1920.	1919.	Inc.
Gross	$ 67,063	$57,184	$ 9,878
Operating expenses and purchased pow.	32,764	30,925	1,838
Net earnings	$ 34,298	$26,258	$ 8,039
Three months ending December 31, 1920:			
Gross	$193,758	$164,969	$28,788
Operating expenses and purchased pow.	100,413	89,765	10,648
Net earnings	$ 93,345	$75,204	$18,140

BUSINESS-LIKE FACTS HARD TO GET FROM HYDRO

Continued from page 1

days Mr. Hewson has frequently been asked by counsel as to whether he or his staff secured definite information as to what freight the proposed Hydro lines could get from firms now using steam roads but outside of "many enquiries" and "careful study" the Hydro engineer did not satisfy the inquisitive temperament of the Commission. It is significant also that Mr. Hellmuth took occasion to show the disparity in proportions of cost charged up to various municipalities. Sir Adam Beck had said, according to a statement read, that Toronto's share of the Toronto to St. Catharines line represented the cost of the road in Toronto. Other municipalities outside had been required in the by-law to bear what seemed to be several times the cost of the road within their borders.

LIFE INSURANCE CO.'S MAINTAIN SOUND POSITION

No Canadian Company Has Ever Failed as Regards Shareholders

STRICTLY SUPERVISED

Company Manager Talks on "Where Insurance Money Goes"—Many Channels of Investment

By J. B. McKECHNIE.

Manager of Manufacturers' Life Insurance Co., Toronto. Address delivered before Young Men's Club of Board of Trade.

Might I enquire why are you particularly concerned where your life insurance money goes? If you purchase from one of our merchants a pair of shoes, you realize that a part of the money paid to the merchant goes into operating costs, a large portion of it is paid to the manufacturer or the wholesaler for the shoes, and the portion which remains is profit, but you are not particularly concerned when buying the pair of shoes about where the money goes. Or again, if you take out fire insurance on your property, you realize that part of your premium goes into operating costs, a portion is used in paying claims, and the balance, if any, is profit. Here again you have little concern as to where the money goes. Why then such concern about life insurance money, because after all what you purchase from a life insurance company is a commodity just as much as a fire insurance policy is. The explanation of this matter brings out the underlying theory of life insurance.

Now instead of dealing with fire insurance, let us suppose that you ask for a policy in a life insurance company for $1,000 for one year, and that you are twenty years of age. The company charges you say $10. At the end of the next year you wish to renew your policy, and are told that it will cost $10.50, and the following year you are asked for say $11, and this premium steadily increases until say at age fifty you are asked for a premium of $20, at age seventy $80, at age ninety $400, etc. There is an increasing hazard, and, consequently, an increasing premium.

Now this system of insurance under which the premium increases each year is known as the natural premium plan, and is theoretically sound, but it has this practical objection, that when a man reaches say age sixty or sixty-five, and his earning power is decreased, that is just the time when the premium for his life insurance becomes very onerous; and so the life insurance companies got their actuaries to calculate as a mathematical equivalent for this increasing premium, a level premium, and it was found that at age twenty this increasing premium could be converted into a level premium of say $15 a thousand. It follows that in the early years under this "level premium plan" the insured pays a higher premium than is actually necessary to carry the risk, and the balance goes into a fund which is technically called a "reserve," which must be carefully husbanded by the company, and increased by interest each year, if it is to be able to take care of the policy many years later, when the insured pays a much lower premium than is actually necessary to carry the risk. On account of this reserve which is held at the credit of each level premium policy, the company is able to grant a "cash value" or a "loan value," etc., all of which will be found in the modern life insurance policy.

Government Inspection

Life insurance companies are supervised very strictly by the Government. Each year they are called upon to make very detailed reports of their operations. Personal inspection by the Insurance Department is made each year. The conditions of the policy are provided by statute. Policyholders are given the privilege of voting at annual meetings. One-third of the directors must be policyholders, and not shareholders; and strict regulations are made in regard to the investment of funds.

It may be interesting for you to know that no Canadian life insurance company has ever failed as regards policyholders. It is true a few of the smaller companies have had to be reinsured in stronger companies, and the shareholders in certain cases have lost part of their capital, but the policyholders' insurance has been fully protected.

I might point out also that there was paid to Canadian beneficiaries on account of war claims over $20,000,000, and in the influenza epidemic over $12,000,000. The soundness of Canadian life insurance companies is exhibited in the fact that, despite these heavy payments, the companies came through unimpaired.

Now in regard to where the insurance money goes, I may say that at the end of last year the total assets held as security for Canadian policyholders amounted to $550,000,000; the total insurance in force approximated $2,500,000,000; and the new insurance of the year $625,000,000. The companies are prohibited by law from holding real estate, except what is required for head office and branch offices, together with any property which may come to them under foreclosure. The real estate of Canadian companies amounts to about 4 per cent. of their total assets.

Mortgages on Real Estate, about	25%
Call Loans, less than	1%
Loans to Policyholders	12%
Bonds, almost	50%
Stocks	7%
Cash, less than	1%

The investments of a life insurance company are naturally very different from those of banks. Banks require a considerable amount to be held in liquid assets, in order to meet any likely run on them. Life insurance companies, however, prefer long-term debentures.

IRREGULAR TONE DEVELOPS ON THE STOCK EXCHANGES

Continued from page 1

that Canada was in a first-rate position to-day if we would only take advantage of it. He pointed out the need for greater patronage of home products in order to turn the trade balance with the United States into a favorable one.

Trading in Victory bonds continues to supply a large part of the market activity, and one issue advanced this week beyond par. Tractions and utilities generally were firmer, while the papers were still reactionary. One or two issues underwent substantial appreciation mainly through the squeezing of the short interests. On the whole, however, confidence in the papers appears to be lacking notwithstanding the prevalence of favorable news regarding the industry.

BANK STOCK CHANGES

	Last Jan. 19	Sale Jan. 26	Ch'ge
Commerce	189	190	+ 1
Dominion	202	204	+ 2
Hamilton	182	185	+ 3
Hochelaga	153	151	+ 2
Imperial	188	190	+ 2
Merchants	176½	175	— 1½
Molsons	170⅛	174	+ 3⅞
Montreal	211¼	206½	— 4¾
Nova Scotia	263	265	+ 2
Royal	204	203½	— ½
Standard	204	204	....
Toronto	192	192	....
Union	153	157	+ 4

CHANGES DURING THE WEEK

	Last Jan. 19	Sale Jan. 26	Ch'ge
Ames-Holden, com.	25	23¾	— 1¼
Do., pref.	44	40	— 4
Asbestos, pref.	*92	93	+ 1
Atlantic Sugar, com.	30¼	32	+ 1¾
Brazilian	34⅝	33	— 1⅝
Burt, F. N., pref.	105	105¼	+ ¼
Brompton Pulp	54⅛	56½	+ 2⅜
Can. Car, pref.	78¼	75	— 3¼
Can. Cement, com.	64	63	— 1
Do., pref.	91½	93¼	+ 1¾
Can. Cotton, com.	76	77	+ 1
C. P. R.	135	132	— 3
Can. Steamships, pref.	73¼	72½	— 1
Consumers' Gas	134¼	132	— 2¼
Detroit Rly.	*89	90	+ 1
Dom. Glass, com.	62	62½	+ ½
Do., pref.	81	82	+ 1
Dom. Steel Corp.	47½	46¾	— ¾
Do., pref.	70	67¾	— 2¼
Dom. Textile, com.	108	111	+ 3
H. Smith Paper, pref.	91	92	+ 1
Illinois Traction, pref.	*66	69	+ 3
Kaministiquia	92	93	+ 1
Lake of Woods, com.	142	150	+ 8
Lyall Cons.	72⅛	70	— 2⅛
Macdonald A.	22¼	25	+ 2¾
Mackay, com.	73	77	+ 4
Montreal L., H., Cons.	86	85¼	— ¾
Nat. Breweries, com.	53	54	+ 1
Nat. Steel Car, com.	4	5	+ 1
N.S. Steel, com.	39½	40	+ ½
Ont. Steel, com.	58	67	+ 9
Porto Rico Rlys., com.	*66	70	+ 4
Provincial Paper, com.	*90	92½	+ 2½
Quebec Rly.	26	26½	+ ½
Riordon Pulp, com.	131	154	+23
Sawyer-Massey, pref.	50	50¼	+ ¼
Spanish River, pref.	92½	91½	— 1
Toronto Rly.	64	65	+ 1
Tuckett Tobacco, com.	*41	48¾	+ 7¾
Twin City	44¾	47	+ 2¼
Wayagamack	79½	81	+ 1½
Bell Telephone	102	112	+10

*Last previous sale.

PRICES OF BRICKS DOWN

Lowered from $1 to $4 per Thousand According to Grade

Speaking at the annual convention of the Canadian National Clay Products Association in Toronto this week, J. C. Reilley stated that during the present season the brick industries had lowered their prices by $1 to $4 a thousand according to the grade, a fact which would have a bearing on the building operations during the year. In order to provide some measure of relief against unemployment he urged the commencement of Government work which had been planned but which was being held up for various reasons.

MORE INTEREST IN TRADE WITH UNITED STATES

U.S. Director of Foreign and Domestic Commerce at Ottawa

TEACHING IN TRADE

Something About the Georgetown School of Foreign Service at Washington

By Resident Representative.

OTTAWA.—An address of great interest to all who are interested in developing the export trade of Canada was that delivered in Ottawa a few days ago by Dr. R. S. McElwee, Director of Foreign and Domestic Commerce for the United States, a young man who began his commercial experience with the Kodak Company, in London, 21 years ago. He spoke to the Canadian Club, and there were present many Canadians interested in the export trade.

He urged the necessity of friendship in businss relations, dwelling particularly on the advantages of better acquaintance between Canada and the United States, something which THE FINANCIAL POST has repeatedly advocated. This was particularly worth while in business, and inter-trade relations were one of the best ways of getting acquainted with each other.

Trade between Canada and the United States last year was $1,177,000,000, while between the United States and all Latin America it was $1,069,000,000. Trade with Canada was three times what it was with Italy, twice that with France, and four times that with the Central Empires. He hoped the present unfavorable balance against Canada would be eliminated, although it is not so bad as with all Europe and most of South America. Trade between Canada and the United States must be evened up, so that it would make a billion dollars each way.

One of the most interesting portions of Dr. Elwee's address was the history he gave of what he called the school teaching side of trade. He said the old way of trade training was wasteful. It took a young man 20 years to learn all the intricacies of the shipping and export trade if he began in an office as a boy. By analyzing the needs, you could lay out a curriculum for the new trade of exporter, and cut down the time from five to ten years, and this had been done at the Georgetown School of Foreign Service at Washington, which began with 60 students and now had over 350. The work was modeled on what a young man would have to go through in 20 years from junior clerk to general manager.

He described the experiment whereby the Georgetown school sent 25 young men to Venezuela, paying part of their expenses. They were put among different leading families in Carraccas. Apart from the educational end, there was a large increase in trade with the United States because of the many new household necessities they taught the people of Venezuela to adopt. Five Georgetown men had been sent to Cuba, where they got positions in stores in order to learn the Spanish language for subsequent use in trade with South American countries. He suggested an exchange of Canadian and American students, as our problems in foreign trade were much the same.

The presence here and address by an official occupying the high position of Dr. McElwee, and his references to trade between the United States and Canada, is regarded as somewhat significant. While the United States is naturally anxious to retain our market, they realize that the exchange difficulties and the growing unfavorable balance of trade across the line is awakening dissatisfaction in Canada. The recent utterance of Premier Meighen at a public dinner here, in which he foreshadowed drastic and effective reprisals to any unfavorable tariff legislation which might be put in force in the United States, has also not gone unnoticed across the line. Speaking of the possibility of a "high barrier" being raised against us by the United States, Premier Meighen said: "If such comes, as it would appear at present that it may, Canada can meet the situation uncomplainingly and not without resources, and not without success."—T.M.F.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 136

NOTICE is hereby given that a dividend of Three per cent., upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March, 1921, to shareholders of record at the close of business on the 13th day of February, 1921.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 21st January, 1921.

Bank of Hamilton

Quarterly Dividend Notice

A DIVIDEND of Three Per Cent. (3%) for the Quarter, together with a BONUS of One Half of One Per Cent. (½%) on the Paid-Up Capital for the three months ending 28th February, 1921, has been declared and will be payable on the 1st March, 1921. This makes a total distribution of Thirteen Per Cent. (13%) for the financial year. The dividend and bonus on New Stock will be computed at the same rates, but in accordance with the terms of issue, and both will be payable to shareholders of record at close of business February 15th, 1921.

By order of the Board,
J. P. BELL,
General Manager.

Super-Quality!
PLAYER'S
NAVY CUT CIGARETTES
"Beautifully cool and sweet smoking"
18¢ per package two for 35¢
Enjoy them to-day

GOVERNMENT MAY WIDEN POWERS OF LOAN COMPANIES

Extend Scope for Receiving Deposits—New Legislation Sought

LIMITS DEFINED

Acute Scarcity of Money For Mortgage Purposes Develops —Fear Confidence of British Investor May Be Shaken

The views of a number of loan and mortgage companies operating in the province of Ontario, upon the necessity for an extension of borrowing powers in connection with deposits, as reviewed in these columns last week, were placed before the provincial government last week by a deputation headed by Hume Cronyn, M.P., of the Huron & Erie Mortgage Corporation, and ample assurance was received that the Government was giving careful attention to the matter, and that in all probability legislation along the suggested lines would be enacted at the next session of the legislature.

The deputation pointed out that a great scarcity of funds for mortgage investment now existed in this province through the falling off in the supply that had formerly been received from Great Britain. This had been brought about by the exchange conditions and the high rates of interest payable in Britain. Amendments were suggested to the Loan and Trust Corporations Act providing that the aggregate borrowing powers of loan corporations should be fixed at four times their paid-up capital and reserve, and that corporations be permitted to accept on deposit to the amount of twice their paid-up capital and reserve, provided that they shall keep on hand at least 25 per cent. of such deposits in liquid assets.

It is contended that legislation along these lines would be of very material benefit to a number of companies operating in this province. At the present time there are said to be two or three companies which have exceeded the limits of their borrowing powers under the act, and these declare that refusal on their part to accept more deposits in order to live within the requirements of the law as it now stands would create an unfavorable impression toward them on the part of the public. There are also three or four others which are approaching the line, and these in consequence have not pressed this branch of the business.

Unused Borrowing Powers

In opposition circles objection is raised to the extending of the borrowing powers of loan companies on the ground that such companies have unused borrowing powers by way of deposits and debentures, to the extent of more than ninety million dollars. They point out that the extension of borrowing powers would tend to shake the confidence of the British investor and would discourage investment here when conditions were readjusted upon a more favorable basis. The following is the statement of G. H. Smith, assistant general manager of the Canada Permanent Mortgage Corporation:

"There is no difference of opinion as to the inadequate supply of funds for mortgage loans. When it is stated, however, that this shortage will be alleviated by the Ontario Legislature giving the companies power to take a larger amount of deposits than is now authorized, we believe that those who are approving this proposed measure on that ground are deluding themselves and misleading the Government.

"By far the larger portion of the money which has been loaned by Canadian mortgage corporations is that which has been supplied by Britain. It is true that additional money from Britain may not be expected immediately, though there are not wanting evidences that conditions in this respect will improve at no distant date. Meantime, however, large amounts of debentures held in Britain are maturing half-yearly. The widening of the powers to receive deposits, which the British investor looks upon as a preferred claim, will unquestionably affect the willingness of the debenture holders to renew. The Scottish agents of several of the leading companies, including the two firms which have been instrumental in sending to Canada a very large proportion of the money invested in Canadian loan company debentures, have unqualifiedly expressed themselves as opposed to the change, on the ground that it would jeopardize the debenture money and adversely affect the facilities for borrowing on debentures in Britain when the market is again open.

"The various companies have unused borrowing powers, by way of deposits and debentures, to the extent of more than ninety million dollars, a pretty ample field for the increase of Canadian debenture money as well as deposits.

A Partial Remedy

John Appleton, secretary of the Dominion Mortgage & Investment Association, discussing the above statement, points out that the companies associated in this movement for larger borrowing powers do not claim that the mortgage situation will be cleared up if the privileges asked for are granted. The situation is critical, he points out, and the measure asked for would undoubtedly provide some measure of relief. Despite the statement that there were evidences that the situation in respect to borrowings from Great Britain would improve at no distant date, Mr. Appleton declared that there was little likelihood of the British financial market opening up to any extent for ten years at least, and in the meantime a pressing demand for money for real estate and building purposes had developed.

It was true, he added, that a number of companies had unused borrowing powers, but it was unfair to hold a company back which had developed this class of business. Some companies were located in communities where they could readily build up their deposit accounts, while other companies were so situated that they were forced to rely upon some other source for funds. Under present conditions the former companies were held down to the pace of the companies less favorably situated in this respect.

Then again companies which in the past have relied upon Great Britain for funds could maintain their credit there by passing if necessary a company by-law stipulating that they would not accept deposits to an amount greater than allowed under the law as it now stands. They would therefore not conflict with the companies now looking more and more to deposits for their mortgage money.

Hume Cronyn, M.P., in discussing the situation, pointed out this alternative also to the dissenting companies. At the present moment, he declared, the supply of money most readily available was to be found by way of deposits. As far as the removing of the present restrictions impairing the confidence of the British investors, this was very improbable, he said, and any company fearing this could easily pass a rule stating that they would not take advantage of the new privilege, and notify their agents in Great Britain to this effect.

TRADE WITH WAR AREAS EXCEEDS 1913

American Exports and Imports For 1920 Greater Than Before the War

NEW YORK.—Trade of the United States with the war sequestered areas of Europe in 1920 actually exceeded in stated value that of the year preceding the war. The aggregate value, says a statement by the National City Bank, of our trade with Germany, Russia, Finland, Belgium, Austria, Bulgaria, Hungary, Roumania, Greece, Turkey, Poland, Czecho-Slovakia, and Jugo-Slavia in the calendar year 1920 was over $1,000,000,000, against only three-quarters of a billion dollars in the year preceding the war; or, to be more closely accurate, $1,035,000,000 in the calendar year 1920, against $775,000,000 in the calendar year 1913, though this figure of 1920 necessarily includes an estimate for the closing month of the year, for which official figures are not yet available.

The imports from the dozen countries in question were, in 1920, $233,000,000, against $296,000,000 in 1913, and the exports thereto $803,000,000 in 1920, against $477,000,000 in 1913. The imports from the countries in question are less in 1920 than in 1913 as a result of the fact that in most cases they have little which they can spare for exportation, while the exports to them were last year nearly twice as much as in 1913 as a result of the fact that they are at this time greatly in need of foodstuffs and manufacturing materials, of which the United States is still a large exporter, especially in raw cotton, breadstuffs, and limited quantities of meats.

U. S. WAR INTEREST

Over $1,000,000,000 on Public Debt Last Year

NEW YORK.—Interest payments on public debt by the United States Government in 1920 reached $1,031,718,915, compared with $878,951,326 in the preceding year. A new high monthly record was made when the Government disbursed $153,972,757 in June. The record month of 1919 was December with $140,566,811.

The bulk of the interest was on coupons of war loans, including the four issues of Liberty bonds and Victory notes, but interest also runs heavy on issues of certificates of indebtedness. In addition interest was paid on pre-war loans and Pittman Act certificates.

SOVIET RUSSIA IS NOT RECOGNIZED BY GOVERNMENTS

Russian Citizens are Seizing Gold Shipped to England

MARTENS DEPORTED

So-called "Ambassador" of Soviet Finally Sent Back to Russia — Instructed to Cancel His Orders

A decidedly interesting feature relating to the proposed Russian credit which the Soviet Government is attempting to establish in America has been raised in connection with certain shipments recently made by English firms to Russia. The transactions as related to THE FINANCIAL POST, appear to have been an attempt on the part of certain British firms to establish the practicability of trade with Russia. In seems that the firms in question shipped goods to Russia and that the government, or the buyers of the goods with the consent of and through the government, arranged to make payment by shipment to and delivery in England of certain gold coins or bullion. The transaction was consummated even to the extent of the delivery of the payment in England as per contract and apparently a new method of doing business with Russia has been developed. The difficulty and interesting side of the transaction, however, became evident when certain Russian citizens resident in Britain secured injunctions or other process of law restraining and preventing the transfer agents of the Russian government from delivering to the shippers of the goods the gold which they had received in payment. The seizure was sustained in the British Courts on the basis that the gold as sent by the Russian Government had been illegally taken and sequestered from the Russian people and that, therefore, according to international law, Russian citizens wherever domiciled were within their legal rights in making seizure of Russian property wherever found as a means of forcible restitution for their property previously seized.

This transaction constitutes another of the many incidents which must clearly indicate to the members of the Russian Government their inability to transact business with the outside world, unless they as a Government and a people conform to customs and usages as observed between nations and individuals in accordance with international law.

A clearly defined cleavage has here been denoted between the Russian Government on one hand, recognizing as it does the freedom of the individual but claiming all property in the name of the State and, on the other hand, the practice of more settled countries which admit both the freedom of the individual and his inalienable right of possession. This wide divergence of national ideas may prove an insurmountable barrier to Russian trade or perhaps compel the Soviet Government that in so far as their internal affairs affect the outside world, they must conform to international custom.

Soviet Ambassador Deported

That interesting events are in the crucible of history is witnessed by the action of the American Government in its sudden move to deport Ludwig [illegible] A. K. Martens, so-called "ambassa[illegible]" from Soviet Russia to the United States. The Soviet Government in instructing Martens to return to Russia sent him a message of sympathy and congratulated him upon having "honorably and patiently endeavored to carry out your instructions to establish friendly relations with the United States." Instructions were also given Martens to "cancel and liquidate all orders placed with American firms." Commenting on this feature "The Independent" adds:

> Mr. Ohsol, commercial director of the Soviet bureau in the United States, announced that one result of the deportation of Ambassador Martens might be the cancellation of the contracts secured by Washington Baker Vanderlip. "In Russia," he said, "foreign trade is a government monopoly and can only be conducted through the regularly appointed government representative." The deportation of Martens has caused some criticism in the United States among persons not in sympathy with Bolshevism on the ground that it is a blow to the revival of Russo-American trade. The Department of Labor defends the deportation on the ground that Martens attempted to carry on Bolshevist propaganda directed against the public security while he was in the United States. Secretary of Labor Wilson said that "there is nothing in our immigration law that requires the deportation of any alien because he believes in, teaches or advocates socialism, communism, syndicalism, a Soviet form of Government, a dictatorship of the proletariat, abolition of property rights or any other change in our political or social structure, provided that he seeks to bring about such changes by peaceful and political methods," but that we would not permit "a military despotism in Russia" to "stir up insurrection among our alien residents" even though "their efforts in that direction are so futile that they cause us but slight annoyance." He repudiated "the insulting intimation" that we would permit our institutions to be undermined and our liberties submerged for the sake of reaping profit from trade with Russia.
>
> Rumors come that the peace faction of the Bolsheviki, dominated by Lenin, which has sought a truce by concessions to foreign capitalists, has suffered a political defeat, and the war party intends to embark on an offensive campaign against the whole non-Soviet world. A Bolshevik agent in any "capitalist" country would then be virtually an "enemy alien."

NEW PURCHASING BOARD AT OTTAWA

To Supervise Purchase of Supplies for All Government Departments

The War Purchasing Commission, which did service for the Federal Government during and since the war, has been superseded by the Purchasing Commission of Canada, according to an announcement from Ottawa by A. E. Howard, acting chairman of the commission. The duties of the new body are in part to supervise the purchase of all supplies for all departments of the Government throughout Canada, and will follow the policy of purchasing direct from the best source of supply. In so far as possible all supplies will be purchased by tender and the business given to the lowest tendered for goods required.

The commission is of the opinion, according to the statement of Mr. Howard, that supplies should be purchased in the districts where they are required. The business interests of every community, he adds, should appreciate the fact that Government business is good business, and that their endeavors to assist would react to the development of the country and their district in accordance with the services rendered. The commission, he concludes, is strongly of the opinion that Canadian goods should be purchased in preference to foreign, which fact makes it all the more necessary that Canadian firms should realize their responsibility in this respect. Failure on the part of local firms to co-operate or tender would make it difficult to carry out this policy.

The departments under the direction of the Purchasing Commission with respect to supplies are the following: Agriculture, Air Board, Board of Commerce, Civil Service Commission, Commission of Conservation, Customs and Inland Revenue, Finance, Health, Immigration and Colonization, Indian Affairs, Interior, Justice, Labor, Marine and Naval Service, Militia and Defence, Mines, Post Office, Public Printing and Stationery, Public Works, Railways and Canals, Royal Canadian Mounted Police, Soldiers' Civil Re-establishment, and Trade and Commerce

PREMIUM BONDS

City of Paris and Credit National

5%

¶ The Bonds of the City of Paris are a sound investment, carry interest at the rate of 5%. Each bond has a redemption feature which entitles the holder to participate in an allotment of 6,000,000 francs in premiums annually.

¶ The Bonds of the Credit National are guaranteed by the French Government, are exempt from taxation, carrying interest at the rate of 5% and participate in an annual distribution of 20,000,000 francs in premiums.

PRICE ON APPLICATION

N.B.—At the normal rate for exchange one 500 franc bond would be worth $96.50; it can be now purchased for less than half that amount.

A circular with detailed list of premiums and prices will be mailed on request.

L. G. BEAUBIEN & CO., LIMITED
INVESTMENT BROKERS
50 NOTRE-DAME ST. WEST - - - MONTREAL
Branch offices at QUEBEC PARIS, FRANCE THREE RIVERS

Forty-Ninth Financial Report of the

CONFEDERATION LIFE ASSOCIATION

For the Year Ending December 31st, 1921

Submitted at the Annual Meeting, Held at the Head Office, Toronto, January 25th, 1921

CASH STATEMENT

Net invested assets, Dec. 31st, 1919		$23,466,455.54
RECEIPTS		
Premiums—		
First year	$1,196,322.27	
Renewal	3,725,241.76	
Single	238,681.57	
Annuity	112,710.68	
Supplementary contracts	3,210.00	
Deposits by policyholders	6,446.08	
	$5,282,612.36	
Less re-assurances	183,898.61	
		5,098,713.75
Interest	$1,233,695.97	
Rents, net	105,459.72	
		1,339,155.69
Profit on sale of securities		50,439.37
		$29,954,764.35

DISBURSEMENTS

To Policyholders and Beneficiaries:

Death claims	$1,030,049.68	
Endowments	467,225.38	
Annuities	113,353.65	
Matured investment policies	248,855.00	
Surrendered policies	237,810.80	
Supplementary contracts	7,747.25	
Profits	324,477.28	
Premium reductions	31,559.27	
Payments made on policyholders' deposits	778.81	
		$ 2,461,857.12
Expenses, salaries, rents, commissions to agents, doctors, solicitors, etc.		1,564,415.80
Government taxes and license fees		78,130.70
Dividend to stockholders		20,000.00
Net invested assets, Dec. 31st, 1920		25,830,360.73
		$29,954,764.35

BALANCE SHEET

ASSETS

First mortgages on real estate	$ 5,412,081.46
Bonds and debentures	13,200,019.29
Stocks	1,184,321.60
Real estate, including Company's buildings at Toronto and Winnipeg	2,225,048.13
Loans on Company's policies	3,316,448.61
Sundry items	6,778.95
Cash in banks and at head office	512,789.40
	$25,857,487.44
Less current accounts	27,126.71
Net invested assets as per cash statement	$25,830,360.73
Interest and rents due and accrued	595,774.65
Net outstanding and deferred premiums, *reserve thereon included in the liabilities*	787,111.36
	$27,213,246.74

LIABILITIES

Re-assurance liability on all outstanding insurance—including premium reductions and annuities	$24,645,296.00
Death claims advised but not yet paid, *including all claims reported to date, and reserve held for unreported claims*	238,343.95
Endowment claims	21,740.00
Amounts left with the Association on deposit by policyholders	7,317.16
Reserve for taxes payable in 1921	60,000.00
Profits to policyholders due and unpaid	46,204.18
Profits allotted to deferred dividend policies issued since 1911	303,154.84
Capital stock paid up	100,000.00
Premiums and interest paid in advance	9,216.96
General expenses	6,181.64
Cash surplus above all liabilities, including investment reserve fund of $389,501.95	1,775,792.01
	$27,213,246.74

Audited and found correct: R. F. SPENCE, F.C.A. (Can.), A. C. NEFF, F.C.A., Auditors

C. S. MACDONALD
General Manager

INSURANCE ACCOUNT

Insurance written and revived $35,144,811 Insurance at Risk $135,624,925

OFFICERS AND DIRECTORS

President
J. K. MACDONALD, Esq.

Vice-President
JOSEPH HENDERSON, Esq.

Vice-President
COL. ALBERT E. GOODERHAM

John Macdonald, Esq.
Thos. J. Clark, Esq.
Lt.-Col. J. F. Michie
Lt.-Col. The Hon. Frederic Nicholls
Peleg Howland, Esq.
John Firstbrook, Esq.
James E. Ganong, Esq.
Wilmot L. Matthews, Esq.
B. B. Cronyn, Esq.

General Manager: CHARLES S. MACDONALD

General Manager of Agencies
J. TOWER BOYD

Medical Director
A. JUKES JOHNSON, M.D., M.R.C.S. (Eng.)

Actuary, V. R. SMITH, A.A.S., A.I.A.

Secretary
J. A. MACDONALD

COAL PRODUCTION NEAR LETHBRIDGE ON THE INCREASE

Wider Market for Alberta Product Is Now Developing

ANNUAL REPORT

President Board of Trade Reviews Development of Past Year—New Irrigation Project Considered

LETHBRIDGE.—In his annual address delivered before the Lethbridge Board of Trade this month, President G. R. Marnoch reviewed exhaustively the various phases of development in connection with the city and province during the past year. His remarks, especially those dealing with provincial matters, are of widespread interest and value.

He first touched upon the coal resources in the vicinity of Lethbridge, and stated that during the year record production had been maintained. Lethbridge coal, he declared, was the best that Western Canada produced for household use, and Winnipeg consumers were increasing their orders year by year. Several of the mines have improved their equipment for sorting coal, and the smaller grades of coal, he added, were now so completely cleaned that they are made available for use at cheap rates. The production of coal within a radius of thirty miles from Lethbridge has been increased during the past year to over 1,000,000 tons.

Efforts continue to be made to extend the available supply of natural gas, but the results have only been partially encouraging, he added. The existing gas wells show some sign of exhaustion. There have been no developments in the direction of investigating the possibilities of gas production from the less used grades of coal that could be put to use. Prospecting for oil still continues southwestwards from Lethbridge but as yet no oil has been found.

Mr. Marnoch dealt with other subjects as follows:

Insurance Costs

With the increased cost of building material and labor, as well as of all merchandise it has been incumbent upon everybody to reconsider the amounts carried upon fire insurance policies. Fire insurance companies have not evinced any approach toward reducing premium rates as an inducement in this direction, although it is quite rightly pointed out that they benefit by the increased premiums that are paid, while their standing charges for staff and office expenses have not increased in anything like the ratio of the increase of premiums paid by those who have been wise enough to increase the insurance carried.

The end of the season was very favorable for getting a good supply of water upon the irrigated lands, and it has been remarked that 75% of the irrigable land has received a "Fall Irrigation." Our irrigation farmers fully recognize the benefits that come from this forehanded application of water, and the effects of it upon next year's crop will be very beneficial.

Average production figures from irrigated lands in this district over a long term of years show these interesting results: Wheat 53 bushels per acre; oats 108 bushels; barley 78 bushels, and potatoes 408 bushels. The yearly production is steady; there is a crop every year; no rest for summer-fallowing is needed. Alfalfa yields from three to five tons, and timothy from one to two tons per acre.

Irrigation Projects.

Besides the Lethbridge Northern project for bringing water to 100,000 acres, upon which we hope to see construction started in 1921, developments may soon take place on the following: United Irrigation District, west of Cardston, 25,000 acres; South Macleod Irrigation District, 50,000 acres; Sundial, Retlaw and Lomond District, 100,000 acres.

When formed, this project will likely be established as an extension of the Lethbridge Northern. All of these projects will take their water from all-Canadian streams.

In addition to these there is the great group of projects south and east of Lethbridge that will take water partly from all-Canadian rivers, and partly from streams rising in the United States. Final survey work on these projects was almost completed in the summer of 1920. Definite progress in the formation of districts is delayed pending the outcome of the deliberations on the just division between United States and Canada of the waters available; this subject has been engaging the close attention during the year of the International Joint Commission. It is hoped that a decision will very shortly be arrived at, and the projects that will be affected, and which will be able to bring about 800,000 acres under irrigation, will then be able to forge ahead.

There are about 100,000 acres under irrigation near Lethbridge now, so that it will be realized that there are possibilities immediately ahead that will increase this area to some 500,000 to 600,000 acres.

Freight and Passenger Rates

In the succeeding increases in freight and passenger rates that have been established, this Board of Trade, joined with the other Boards of Trade in Western Canada, in representations made before the Board of Railway Commissioners for Canada. We have perforce to agree that the comments made in the most recent judgment of the Commission are basic; they say "One of the most important factors to be considered in reaching a decision as to what are fair and reasonable rates is that of the ability of the railways to carry on. The fact that under the law the railways as public utilities are required to have their rates approved by the Board, does not justify the view that they should therefore be compelled to do business at a loss. Further, if the rates fixed are not fair and reasonable to the railways as well as to the public, the public will suffer, inasmuch as no railway compelled to operate on a non-paying basis can furnish either efficient service or adequate facilities for the handling of traffic."

We are faced with the recognition of the fact that the chief factor in the operating expenses of the railroads is the wages that have been paid to the employees, and that until these share in the general readjustment that is now in progress, the rest of the general public must foot the bill.

THE GERMANS MAY MARK DOWN MARK

A Significant Change in Value of German Postage Stamps

Why are the "Pilgrim Tercentenary" stamps green, red and blue? Why have our 1, 2 and 5 cent stamps borne these colors since 1898? Why have the German 5, 10, 20, 40, (and 80?) pfennig stamps, which were formerly green, red, blue, black with red border (and black with red porder on rose paper), just appeared in brown, orange, green, red, (and blue) respectively? Finally, what does this change in color mean anyhow. The annalist asks and answers the question:

The first two questions are easily answered even though the answer is not generally known: The colors are fixed by international agreement, Article VI. of the Universal Postal Union Conventions reading:

Section 1. The postage stamps representing the normal Union rates or their equivalents in the money of each country are printed in the following colors: the 25 centime stamps in deep blue, the 10 centimes in red and the 5 centimes in green.

As to the last two questions:

The 5, 10 and 20 pfennig stamps had the same postage value as our 1, 2 and 5 cent stamps, but soon after the armistice letters began to bear 40 pfennig, and a little later 80 pfennig in postage. The rate was doubled, and then doubled again, ostensibly, of course, to increase revenues just as we paid a cent more on cards and letters during the war, but is this the whole story?

While brokers optimistically urge the purchase of foreign money and bonds for vast profits through the return of exchange rates to normal, many students of the financial situation wonder what will happen in Europe.

The new German stamps seem to indicate a revaluation of the mark. If the increased postage rates are merely a domestic matter, a temporary expedient like our own war rates, there would seem to be no need of reassigning the colors in the set. Since the colors have been changed, must we not infer that the German Government tacitly accepts for a long time to come six cents as the value of the mark?

The inference drawn must be checked up by the reader in the light of the facts and his experience. Its value, if correct, does not lie in any influence on the present worth of the mark—that we get very well in the daily quotations which represent fairly well the purchasing power of the mark in Germany—it lies in our estimate of future worth. Clearly it is futile to expect 23.8 cents for a mark if its parity is to be only 6 cents.

When we hear that German industrial concerns are making tremendous profits let us remember that these profits in paper money must be some fifteen times former profits to be of equal value, and even then taxes are likely to absorb a half before even a 6-cent gold value can be attained.

An inference from a postage stamp seems a frail straw truly, yet a straw may tell us which way the wind is blowing, and we may soon find other straws bending in the same direction. It will not be surprising if several other countries soon follow Germany's lead in this matter, and it will be interesting to watch their stamps and see what value each places upon its currency.

DAIRYING IN WEST

REGINA.—The dairy production of Saskatchewan during 1920 was valued at $21,900,120, according to Dairy Commissioner Reed. The largest single item was butter, of which 29,009,000 pounds, valued at $12,676,670, were produced. The province's one and only cheese factory produced 35,500 pounds of cheese valued at $11,360.

TIME CHARTS VS. HUMANISM IN MANAGEMENT

Continued from page 10.

through these meetings and through personal contacts with the workmen themselves, to build and maintain a high esprit de corps, to keep the machinery of production, including the human element, well co-ordinated, running at high speed without friction.

Once a week the same group holds a meeting to take up pure labor questions, such as welfare, accidents, discipline. This is a non-technical meeting for the discussion of human relations, and through it the superintendent aims to build up his sub-executives as managers of men—and at the same time keep himself informed and fit.

The foremen do not fire. That is left for the superintendent. A workman was caught manipulating his time card. They pay both hour and piece rates, the latter for the higher and better-paying types of work. This workman so made out his time card that it showed a less number of hour-rate jobs and larger number of piece-rate jobs than he had actually performed. Of course he was detected. He was called before the superintendent and given a lecture on stealing, lying, and cheating. He was told that he would be given another chance and no more. The men in the shop were given to understand that this man was on probation, and he went back to work, with a hearty slap on the shoulder from the superintendent.

A little later he was again detected in the same trick. This time he was called in, reminded of his former offense, and the warning then given him, and discharged. Notice of his discharge and the reason for it were given the men. Appeals from the discharged worker's family failed to move the superintendent. "He had his chance, he was warned, and if I did not stick to my word the whole organization would go to pieces." This was final.

Where is the Union?

Where is the union all this time? There isn't any, officially. Although this company, in one of its four plants, operates a shop closed against union men, because of the aggressive attitude of certain unions. Here in Philadelphia it finds the unions less objectionable. It operates an open shop, making no discrimination between union and non-union men.

The management here takes the position that men cannot at all times be loyal to both their employers and their union, and in the past has put it up to the men on just this basis. A group of workers came and expressed the desire to organize.

"Why?" asked the management. Well, the men did not exactly know, but they thought they wanted a union.

"Suppose the union officials out of town order you to strike, even though you have no grievance against this management? What would you do?" asked the manager.

What Loyalty Means

The men protested that they would stick to the company.

"And be disloyal to your union?" said the manager. "If you are disloyal to your union, how can we be sure you will not be disloyal to us? Be union men, if you must, but you are through here." The men were surprised, but saw the point. The matter was dropped.

The less aggressive policy of the unions in Philadelphia may be explained by the fact that the men are well paid. The general labor situation is better than elsewhere, wages having kept pace with the cost of living. Wages in this plant run as high as $3,000 per annum for ordinary skilled workers, $1,800 being a common wage, and many of the workers come to the plant in their own Fords.

The interest of the management in its workers as humans is undoubtedly a factor in the healthy situation in this plant. Effort is being made constantly to evoke a more earnest interest in the business and this interest is rewarded. Absentee ownership is recognized as an evil, and conscious effort is being made to retain control of the plant within the ranks of those actively engaged in it. They are planning to divide profits with their employees on a stock-participation basis. This, briefly, is the plan:

They have a property capitalized at six and a half million dollars. The physical value of the property is at least nine million dollars. The reason for this is that there never has been any water in the stock. They have always paid not to exceed 8 per cent. on the investment. The result is that they have a big property account which is far in excess of their capitalization. This they have accomplished by putting profits back into the business instead of out as dividends.

The general manager does not barricade himself in a private office with a screen of clerks and secretaries. He sits in a large office with several hundred executives and clerks. He has a kind of horseshoe desk on a platform at one end of the room and everybody can tell whether he is on the job or not. He is accessible.

No Verdict Yet

How far an executive may wisely go in this policy of slapping shoulders and calling men by their first names is an open question. The president of the company is concerned over it. At another plant of this company there is a superintendent who is anything but a human nature expert. He cannot bring himself to be familiar with his workers, to speak to them as he goes through the plant. He is a keen technician, his eyes miss little, he is a splendid organizer of technical details, he is fair and just, but he is not a good fellow with the men. Yet his plant runs smoothly, and production is maintained. He avoids the suspicion that he is trying to slip something over by smooth talk, and if there is less of fellowship in his reign, there is better discipline, and a general conviction that the men will get a square deal.

The two experiments are going on; the management is watching. The verdict is not yet declared.

Madison, Wisconsin.

"SOLID AS THE CONTINENT"

North American Life Solid as the Continent

The success that attended the operations of the North American Life during 1920 established beyond question the strength and security of the Company. Its financial position is unexcelled.

Outstanding Records for 1920:--

Policies Issued and Revived	$24,363,971.00
Amount of Insurance in Force	99,600,473.00
Assets	20,041,882.64
Payments to Policyholders	2,163,997.65
Net Surplus	2,609,827.21

Such records are the outward evidence of the unexcelled financial position attained by the Company, and of the sure foundation upon which it has been built. With this Company, policyholders' interests are paramount, over 99% of the profits earned being allotted to them. If you are contemplating new insurance, see one of our representatives. A copy of the 1920 report will be sent on application.

NORTH AMERICAN LIFE
ASSURANCE COMPANY
"SOLID AS THE CONTINENT"

W. KERR GEORGE,
D. McCRAE, Col.,
Vice-Presidents.

Home Office: Toronto, Canada

L. GOLDMAN,
President.

To-day's Greatest Business Need

is through wholehearted co-operation of all units of merchandising—manufacturer with wholesaler, wholesaler with jobber and jobber with the retail merchant, who stands on the forefront of our merchandising system.

To-day more than ever before the merchant needs all the constructive assistance you can give him. On him rests the burden of starting the stream of goods across his counters to the consuming public.

New plans of selling, proven ideas for increasing turnover in your products, methods of stimulating present sales and building future profits —all are your answers to his pressing problems of the moment.

Tell your merchants all this and more in the business paper he is reading and studying to-day—reading editorial pages for any trade news affecting his business, studying advertising pages for his information on your special plans. You can stimulate your trade. You can hearten your merchant. Now as never before you can give business just the impetus that will push the trade curve upward to better business for all.

Inform Your Merchants Through These Specialized Trade Newspapers:

Canadian Grocer
35th Year.

Hardware and Metal
32nd Year

Druggists' Weekly
2nd Year.

Dry Goods Review
32nd Year

Men's Wear Review
11th Year.

Sanitary Engineer
14th Year.

Bookseller and Stationer
37th Year.

Regular announcements in the merchant's business newspaper will increase your sales and at the same time lower your selling cost by building up goodwill between the calls of your salesmen.

We will be glad to tell you of campaigns which have notably increased sales—and will show you without obligation how you can get the wholehearted co-operation of your merchants.

The MacLean Publishing Company, Ltd.

Publishers of the above specialized business newspapers.

HURON AND ERIE DEPOSITS HIGHER BY BIG FIGURE

Increased Public Investments Also in Currency Debentures

PROFITS WERE HIGHER

Substantially Enlarged Investments in Mortgages Despite Contraction in Currency Debentures

Increased deposits and enlarged funds from currency debentures are again features of the annual report of the Huron and Erie Mortgage Corporation covering a prosperous year in which a substantial increase in profits was recorded. The net profits amounted to $549,600, compared with $535,611 for 1919 and $474,069 for 1918—in 1914, the first year of the war, the amount was $405,116, and each year since an increase has been shown. Dividends at the rate of 7 per cent.—the capital was doubled two years ago, prior to which the rate was 12 per cent.—required $350,000 and after the payment of Dominion and provincial taxes $150,000 was added to the reserve fund and the balance of $22,317, including $16,347 from last year, carried forward. Following are comparative figures for the past three years:

	1920	1919	1918
Profits	$549,600	$535,611	$474,069
Bal. forward	16,374	23,337	86,669
	$565,974	$558,948	$560,738
Dividends	350,000	300,000	300,000
Taxes	43,657	38,874	8,099
War Taxes	.....	.....	13,477
Pension	.....	.....	10,000
Patriotic	.....	3,700	5,825
Reserve	150,000	200,000	200,000
Balance	22,317	16,374	23,337
	$565,974	$558,948	$560,738

Larger Public Funds

In view of the interest which has been aroused in the question of extending the powers of the mortgage companies to take enlarged public deposits, it is interesting to note that the deposits of this company during the year increased $1,488,646 to a total of $5,543,487, or more than 35 per cent. during the period. At the same time debentures were freely sold to Canadian and American investors and the total of $7,721,586 at the end of the year showed an advance of $1,395,457. Sterling debentures at the same time naturally showed a decline in view of the conditions prevailing—unfavorable exchange and high rates of interest in Great Britain. The total declined from $3,821,520 to $2,962,709. However, altogether there was an increase of liabilities to the public from $14,344,146 to $16,387,998.

Total assets increased from $20,435,520 to $22,647,815, the larger funds available being largely invested in mortgages, the total thus involved increasing from $13,339,194 to $15,073,875. Holdings of municipal debentures declined and there was an increase in holdings of government bonds.

The Earnings Record

Earnings of the enlarged capital were 10.1 per cent. and 8.4 per cent. on investment. Outstanding features of the earnings record in the past seven years follow:

Year	Paid-up Capital	*Net Profits	Div.	% pro. av.cap.	Earn. rate
1920	$5,000,000	$505,943	7	10.1	8.4
1919	5,000,000	496,737	6	9.9	8.2
1918	2,500,000	452,493	12	18.0	8.0
1917	2,500,000	430,577	12	17.2	7.8
1916	2,500,000	422,012	12	16.9	7.8
1915	2,458,415	411,493	12	16.9	7.9
1914	2,406,201	405,116	12	17.5	8.7

*Taxes deducted.

SEARCH FOR PULP

Americans Journey Into Far Canadian North

SYRACUSE.—Word has been received here that two men who have been exploring Northern Canada in search of suitable tracts of timber for the pulp and paper firm of James D. Lacey & Co., of New York City, have arrived in Quebec on their return trip. Early last fall, with dog sleds and Indian guides, they followed the Minicougar River to its source, made headquarters there and explored the territory for 200 miles in every direction. For a month they camped a hundred miles north of Moose Factory, the landing place of the naval balloonists.

The men are bringing back with them samples of the wood they found there, and if they prove suitable to the purposes, the company will immediately make arrangements for the purchase of a tract of land more than 300 miles square in the extreme north of Canada.

The men who represented the company were S. J. Hall and E. L. Knappton, former students at Syracuse University forestry school.

ORGANIZE INSURANCE CO.

The employees of the Robin Hood Mills, Moose Jaw, have practically completed the organization of an insurance company for the sole benefit of the employees of the mill. It has been found necessary to incorporate this company, and the insurance scheme will require that employees contribute one per cent. of their wages each week to the insurance fund, while the milling company will pay a like amount. Out of the fund so established each worker will be paid two-thirds of his wages in case of illness or accident, which would not be covered by the Workmen's Compensation Act, so that the workers will have ample protection in case of forced unemployment through causes outside the scope of their employment.

CANADA LANDED INCREASED PROFITS

Substantial Improvement in Income Despite Some Contraction in Debenture Funds

A marked improvement in the earnings of the Canada Landed and National Investment Company is shown in the annual report for 1920. Net profits are $194,874, compared with $151,684 in 1919 and $152,299 in the previous year. This change may be taken to indicate that improvement in mortgage conditions generally which has more latterly been felt by the conservative companies. Dividends at the rate of 10 per cent., being an advance of 1 per cent. over the previous basis, took $120,500 and $50,000 was transferred to depreciation reserve, the balance being carried forward and increasing the surplus of profit and loss from $26,221 to $50,596.

The profit and loss statement shows interest collected increased from $445,052 to $484,419 and at the same time there was some reduction in interest paid. Cost of management was somewhat higher but this was balanced by a reduction in other disbursements. Following are comparative figures for the past three years:

	1920	1919	1918
Int. collected	$484,419	$445,053	$415,795
Bal, forward	26,221	132,987	89,151
	$510,640	$578,040	$504,946
Int. paid	204,611	207,915	195,258
Dividends	120,500	108,450	108,450
Management	56,880	52,641	47,729
Other disb.	28,053	32,813	20,522
Reserve	50,000	150,000	.....
Balance	50,596	26,221	132,987
	$510,640	$578,040	$504,946

Earnings on capital were at the rate of 16.2 per cent. or a better showing than any other year since the outbreak of the war with the exception of 1915:

Year	Gross Profits	Net Profits	Div.	% on Cap.
1920	$484,418	$194,874	10	16.2
1919	445,053	151,684	9	12.6
1918	415,795	152,299	9	12.6
1917	417,267	158,209	9	13.1
1916	438,867	170,246	9	14.2
1915	454,574	199,200	9	16.5
1914	443,907	192,288	9	15.9

This fine showing was made in the face of a reduction of assets from $6,606,427 to $6,316,897, as the result of contraction of both sterling and currency debentures. Mortgage loans were reduced by about $300,000 and holdings of bonds and debentures were somewhat increased. A balance of $141,000 carried in the National Bank of Scotland, evidently as a reserve against expiring sterling debentures, was absorbed.

LANDED BANKING

Decline in Profits Recovered But Taxes Higher

A year ago the Landed Banking and Loan Company, London, reported profits that showed some contraction as the result of conditions which had prevailed during the year. Profits of $138,020 for 1920 compare with $136,251 for 1919 and $137,636 in 1918. Taxes, however, were higher with the result that after the payment of dividends and adding $40,000 to reserve the balance was reduced from $2,330 to $1,603. Following are comparative figures:

	1920.	1919.	1918.
Profits	$138,020	$136,251	$137,686
Bal. forward	2,330	6,732	7,232
	$140,350	$142,983	$144,868
Dividends	80,000	80,000	80,000
Taxes	18,747	15,653	2,951
Patriotic	.....	.....	800
War Taxes	.....	...	4,384
Reserve	40,000	45,000	50,000
Balance	1,603	2,330	6,733
	$140,350	$142,983	$144,868

Features of the company's earnings record for the past six years are shown below:

Year.	Paid-up Capital	Profit.	Div.	% on Cap.	Earn. Rate
1920	$1,000,000	$138,020	8	13.8	7.2
1919	1,000,000	136,251	8	13.6	7.5
1918	1,000,000	137,636	8	13.7	7.5
1917	1,000,000	143,711	8	14.3	8.4
1916	1,000,000	138,158	8	13.8	8.1
1915	987,970	133,838	8	13.6	8.3

The reserve fund now totals $965,000 or 96½ per cent. of the paid-up capital.

NATIONAL TRUST PASSED A YEAR OF EXPANSION

Material Increase in Assets—New Issue of Stock

PROFITS WERE LOWER

But Premium on New Stock Made It Possible, to Add $400,000 to the Reserve Fund

The net profits of the National Trust Company for 1919 were $252,826, as compared with $281,140 in 1919, and $266,784 in 1918. However, these figures should not perhaps be taken at their value. In view of the fact that the expansion of the company's business continued during the year and that there was an increase in the paid up capital from $1,500,000 to $2,000,000 the decline in profits is hardly in keeping with the company's record. In addition to profits the company had an income from premium on stock of $375,000, and as the profits are "net" after allowing for all contingencies it would be in keeping with good business practice to make these allowances liberal under such conditions.

In any event with the premium and balance forward there was available for distribution a total of $687,449, so that after the payment of dividends at the increased rate and allowing for war taxes there was a large balance, of which $400,000 was added to reserves and $84,417 was carried forward. Following are comparative figures of the profit and loss account:

	1920	1919	1918
Net profits	$252,826	$281,140	$266,784
Bal. forward	59,623	12,183	122,398
Prem. on stk.	375,000	......	......
	$687,449	$293,323	$389,182
Dividends	185,232	150,000	150,000
Premises	......	50,000	50,000
War Taxes	17,800	24,200	14,000
Patriotic	......	9,500	13,000
Reserves	400,000	......	150,000
Balance	84,417	59,623	12,182
	$687,449	$293,323	$389,182

The following comparative features from the company's earnings of the past six years are interesting:

	Capital Account	Guaranteed Account	Estates Etc.
1920	$4,277,214	$5,387,200	$84,726,290
1919	3,300,670	5,975,711	79,665,410
1918	3,238,221	6,897,900	69,955,548
1917	3,197,122	7,717,790	65,807,722
1916	3,174,174	7,371,097	58,651,782
1915	3,140,543	6,986,333	49,205,608
1914	3,139,890	6,521,702	42,033,086
1913	3,113,501	6,527,244	34,874,756

Development in Year

An increase of more than $5,000,000 in assets is shown by the annual report of the National Trust Company which has been mailed to shareholders. The total now stands at $94,390,705, as against $88,941,252 a year ago. Practically all of the increase comes in estates, trusts, and agency accounts, which have increased by slightly over $5,000,000 to $84,726,290.

Following are comparative figures from the various accounts showing expansion since before the war:

Year	Net Profits	% on Cap.	Div	Stock High	Stock Low
1920	$252,826	*12.6	11	230	198
1919	281,140	18.7	10	205	200
1918	266,784	17.7	10	...	...
1917	251,334	16.7	10	212	207
1916	236,254	15.7	10	210	210
1915	229,152	15.2	10	223	223

*On $2,000,000 capital. Amount actually employed was less as indicated by dividends paid and rate would, therefore, be slightly higher.

The reserve fund now stands at $2,000,000, or equal to the paid up capital after the increase made during the year; there is also a reserve of $50,000 for new branches.

DISCRIMINATION CHARGED

Head of Gas Company Objects to Government's Policy

WINDSOR.—Criticizing the policy of the Ontario Government regarding the shortage of natural gas along the border T. P. Pickard, manager of Windsor Gas Company, asserted that the Windsor Company and its customers are being discriminated against by the action of the Government in allowing Kent County townships to use natural gas for heating public buildings. "We are disgusted with the way the situation is being handled," Manager Pickard said. "There is not the slightest doubt that this company and its customers are being discriminated against. The district is being dealt with most unjustly by a Government which listens to claims of municipalities more aggressive than the City Council of Windsor in placing their case before the powers that be. We are not permitted to supply gas to churches and schools in this city, but we are now told that the Mayor of Tilbury has been successful in securing that privilege for public buildings in his town."

U. S. RAILROADS

High Operating Cosas Cut Into Increased Revenues

NEW YORK. — While railroad gross earnings set a new record for the year, higher operating costs and heavy maintenance outlays have absorbed an unprecedented proportion of revenue. The application of the higher rates granted by the Interstate Commerce Commission in September was followed by a falling off in tonnage, so that even gross revenues failed to meet expectations during the last quarter of the year. The deadlock between the roads and the Government in respect to amounts due in final settlement under the terms of the Government guarantee, together with the sharp falling off in traffic, is causing the postponement of orders for rails and equipment. It is probable that operating ratios will be lowered somewhat as the effect of lower prices for commodities, especially fuel coal, becomes apparent.

ENGLAND FACING MANY PROBLEMS

But She Will Solve Them Successfully, Says Sir George McLaren Brown

By Resident Representative.

ST. JOHN.—Confidence in the ability of England to adjust her affairs to changing conditions was expressed in an interview by Sir George McLaren Brown, European manager of the C.P.R., on his arrival here on the Empress of Britain. "The good sense of the English people will carry them through," said Sir George. "They have already shown great recuperative power."

"London," he added, "is the buying market of the world. It is the market sought by European countries, and goods of quality from Canada can easily secure a quick, profitable outlet there. There is a splendid chance in the London market for heavy Canadian wool underwear eagerly sought by Russian buyers."

England's export trade, he continued, shows a falling off, but in this trade she still holds a commanding lead over her neighboring countries.

Sir George said Belgium and Holland had made wonderful recovery in the readjustment of trade conditions and are rapidly approaching their pre-war status. He found the Germans gradually picking up and making special efforts to again get a market for their dye stuffs. Other products of their factories, when not much capital is involved, are being pushed forward with the energy characteristic of the people.

MUNICIPAL INSURANCE

The Moose Jaw city council has adopted a plan of municipal life insurance under which a policy will be placed upon the life of each employee in the city's service. The policies range from $500 for every unmarried man to $1,000 for married men. Heads of departments are given $1,500 policies. To receive this benefit employees must be in the service of the city at least six months.

EXCELSIOR
LIFE INSURANCE COMPANY

Our Annual Report for 1920 shows again gratifying increases in respect of Income, Assets and Insurance in force. The following comparative summary will be of interest to insurers:

STEADY PROGRESS

	1918	1919	1920
Income	$1,213,401.75	$1,398,962.03	$1,605,597.52
Assets	4,986,495.15	5,514,144.71	6,194,958.46
Insurance in Force	26,842,967.30	33,735,247.10	40,574,890.65

FAVORABLE MORTALITY—ACTUAL TO EXPECTED 57.7%
HIGH INTEREST EARNINGS - - - - 6.87%

GOOD OPENING FOR ONE OR TWO ADDITIONAL ACTIVE REPRESENTATIVES, APPLY TO

THE BANK DIRECTORY OF CANADA

APPROVED BY

The Canadian Bankers' Association

The Bank Directory of Canada contains an alphabetical list of places in Canada.

Every bank, together with the name of the manager, is given.

When there is no bank, the most convenient banking point is given with the distance in miles.

The Bank Directory is not only used by the banks, but is of great value to the collection and correspondence departments of every commercial and manufacturing office. *ISSUED MONTHLY.*

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BIG GROWTH IN CURRENT LOANS OF SCOTIA BANK

Resulted in a Substantial Increase in Net Profits

DEPOSITS ARE HIGHER

Increase in Savings About $4,500,000 Greater Than the Decline in Demand—Dom. and Public Loans Smaller

Increases of nearly $7,000,000 in current loans in Canada and about $2,250,000 in current loans outside Canada are outstanding features of the annual report of the Bank of Nova Scotia. This expansion of commercial credits was made possible largely because of an increase of nearly $19,000,000 in savings deposits compared with a decline of $14,500,000 in demand deposits owing to absorption of Victory Loan funds by the Dominion Government. At the same time there was a contraction of about $6,590,000 in loans on public securities and $2,750,000 in gold reserves; holdings of specie increased $1,195,000 and demand loans on grain and staple commodities by over $1,000,000. Call loans outside Canada were increased by about $1,400,000 but call loans in Canada were reduced by nearly $1,500,000. Total assets increased by $1,425,661 to $239,704,383. Following are the figures from the balance sheet showing changes of the year:

Immediately Available Liquid Assets

	1920.	1919.	Change.
Specie ..$	13,002,786	$ 11,806,787+	$1,195,999
Dom. notes	21,126,075	20,714,772+	411,303
Note cr. dep.	492,823	525,710—	32,887
Notes, bk.	3,469,230	2,746,060+	723,170
Call lns. abd	16,528,572	15,141,251+	1,387,261
Bank bal.	350,000	........+	350,000
Do., ab'd	6,872,264	6,829,732+	42,532
Gov. secs.	13,343,227	13,764,852—	421,625
Cheques	10,190,090	12,301,502—	2,111,412
*Dom. loans	15,183,989	14,114,491+	1,069,508
Gold res.	12,750,000	15,500,000—	2,750,000
Other Assets			
Pub. sec. .$	20,232,222	$ 26,821,795—	$6,589,573
Other sec.	3,419,407	3,845,065—	425,658
†Call loans	6,012,415	7,494,072—	1,481,657
Current	73,103,489	66,171,447+	6,932,042
Elsewhere	13,942,283	11,696,584+	2,245,699
Over. debts	107,296	108,873—	1,577
Lets of cr.	1,405,416	485,038+	920,378
Real estate	133,908	166,176—	32,268
Loans Gov.	2,445,219	2,746,545—	301,326
Premises	5,202,069	5,015,914+	186,155
Other assets	391,653	282,056+	109,597
Tot assets	$239,704,383	$238,278,722+	$1,425,661
Liabilities to Public			
Circulation $	21,004,638	$ 23,266,963—	$2,262,325
Dem. deps	39,264,930	53,745,723—	14,480,793
Savings	145,480,915	126,546,885+	18,934,030
Due banks	1,317,463	1,823,525—	506,062
Due else.	1,747,863	3,616,661—	1,868,798
Acceptances	1,405,416	485,038+	920,378
Bills pay.	409,729	......+	409,729
	$210,630,954	$209,484,795+	$1,146,159
To Shareholders			
Capital $	9,700,000	$ 9,700,000	$........
Reserve	18,000,000	18,000,000	....
Dividends	390,834	389,754+	1,080
Balance	982,595	704,173+	278,422
	$29,073,429	$ 28,793,927+	$ 279,502
Tot. liab.	$239,704,383	$238,278,722+	$1,425,661

*On grain and staple commodities.
†On bonds, debentures and stocks.

The ability of the bank to increase its current loans did not impair its position as regards immediately available assets and resulted in very satisfactory net profits of $2,327,423, compared with $1,925,478 in the previous year; in 1918 the showing was $1,411,925, but that was before the Bank of Ottawa was absorbed. Dividends of 16 per cent. were paid, requiring a distribution of $1,552,000, and after paying circulation taxes of $97,000 and setting aside $100,000 for pension funds the sum of $300,000 was written off, there still being available the substantial sum of $278,423 to add to the surplus carried forward, the total now being $982,595. Following are comparative figures of the profit and loss account for the past three years:

Income Account

	1920.	1919.	1918.
Bal. forward.$	704,172	$ 749,694	$ 560,269
Net profits ..	2,327,423	1,925,478	1,411,925
	$3,031,595	$2,675,172	$1,972,194
Dividends ...	$1,552,000	$1,381,333	$ 910,000
Patriotic ...	....	....	47,500
Reserve	....	200,000	....
Pension Fund.	100,000	100,000	50,000
Tax on cir. ..	97,000	89,667	65,000
Written off .	300,000	200,000	150,000
Surplus .....$	982,695	$ 704,172	$ 749,694

The bank's earnings on capital were at the rate of 23.9 per cent. and on investment 8.1 per cent. Following are features of the earnings record during the past eight years:

Year.	Profits	% on Cap.	Div.	% on Invest.
1920	$2,327,423	23.9	16	8.1
1919	1,925,478	19.8	16	6.8
1918	1,411,925	21.7	14	7.4
1917	1,295,315	19.9	14	6.8
1916	1,252,038	19.2	14	6.8
1915	1,220,057	18.7	14	6.4
1914	1,196,116	19.7	14	6.7
1913	1,210,774	20.8	14	7.1

MORE UNEMPLOYMENT

During the last week in the year just closed there was a substantial decrease in employment throughout Canada, according to a report just issued by the Employment Service of Canada. For the week 4,727 firms reported that they had released 45,214 persons, a contraction in payroll of over 7 per cent. Firms in four industrial groups recorded additions to their payrolls aggregating 347 employees, while in 29 groups there were decreases totalling 45,561 workers. A large part of these declines was said to be of a temporary nature, indicating shutdowns for holidays and inventories

UNIFORM BALANCE SHEET FOR LOAN CO.'S IS APPROVED

Little Possibility of Misrepresentation Under New Form Now in Use

NEW FEATURES

Simplicity and Conciseness Aimed at—Careful Government Supervision is Now Possible

There is much favorable criticism of the new standard form of annual statement for loan companies operating in Ontario issued from the department of insurance, and which is now in general use by companies in making up their yearly report to the Government. The registrar of loan companies in designing this new form sought to avoid the complexity and cumberousness of the old form through the use of which misrepresentation of a company's true financial position was a comparatively simple matter. The new form aims at clearness and conciseness and follows the outline of the report issued by the Dominion Government to insurance companies.

A summary of assets and liabilities is followed by a more detailed analysis of the various items that make up the account. A criticism is heard to the effect that in the summary of assets the statement from the company's standpoint would look better if the outline of liquid assets were placed at the top of the page rather than in the centre.

Schedule A of the report makes provision for a detailed outline of the real estate holdings of the company, showing the date acquired, amount of encumbrances, actual cost, book value and market value. Occasionally the office premises of loan companies may be larger than is justified, and for that reason are a burden. This can be at once readily determined under the new form of statement, and the company in view of the publicity entailed, and for its own protection, will be required to take steps to remedy this situation. Then again in the summary of mortgage loans on real estate there is a distinct division between principal and interest. It will be recalled that when the Dominion Permanent Loan and the Standard Reliance Companies failed their capital was tied up in large investments. These companies adopted the plan of capitalizing interest and adding it to principal of the loan every year. This action will now be impossible if government inspectors exercise ordinary care in the examination of these statements.

Affect Company's Standing

Schedule C deals with a most important matter and requires a detailed analysis of mortgage loans or agreements for sale or purchase of property in excess of 2 per cent. of the combined paid-up capital and surplus of the corporation or in excess of $50,000. A loan for $50,000 or for 2 per cent. or more of combined paid-up capital is regarded as a large investment, which in the event of default of principal and interest would seriously affect the standing of the company. The required detailed statement respecting these loans will reveal whether the security is ample or not. Where the security of the loan is questioned by the Government inspector this condition will be pointed out and steps may be taken to rectify it in order to preserve the company's standing.

The Government department has in this form prepared the way for a careful checking of the financial statements of loan companies, which will in the end materially enhance the confidence of the public in such institutions.

Pennsylvania produced 87,131,000 net tons of anthracite and 157,825,600 tons of bituminous in 1920, according to State Chief of Mines Burton. Earnings of producers were large, some receiving $15 a ton for coal.

DOMINION BANK EARNED 9.14 P.C. ON INVESTMENT

Showing on Capital and Reserve—9 Per Cent. in Previous Year

ADJUSTMENTS MADE

Post-war Changes in Public Finances Indicated in Many Accounts—Liquid Position Well Maintained

Changes in the accounts of the Dominion Bank during 1920 were in relation to public rather than commercial financing as reflected in the annual statement. However, that business was conducted on a satisfactory basis is indicated by the fact that profits of $1,347,011 compared with $1,256,053 in 1919 and $1,169,798 for 1918. After making allowance of $38,500 for provincial taxes as compared with $26,350 for the year before and $120,000 for Dominion Government taxes as compared with only $60,000 for 1919, the net profits of $1,188,511 showed an increase of $18,807 over 1919, being at the rate of 9.14 per cent. and 9 per cent. on the bank's capital and reserve in respective years. Following are comparative figures of the profit and loss account for the past three years:

	1920.	1919.	1918.
Profits ...	$1,347,011	$1,256,053	$1,169,798
Prov. taxes	38,500	26,350	23,300
	$1,308,511	$1,229,703	$1,146,498
Gov. tax ...	120,000	60,000	60,000
Net	$1,188,511	$1,169,703	$1,086,498
Bal. forward	495,707	446,504	393,005
	$1,684,218	$1,616,207	$1,479,503
Dividends	780,000	780,000	720,000
Patriotic	.....	10,500	38,000
Pension	35,000	30,000	25,000
Premises	200,000	300,000	250,000
Balance	669,218	495,707	446,503
	$1,684,218	$1,616,207	$1,479,503

The holdings of Dominion Government securities by the bank were reduced by nearly $3,700,000 during the year, this being accompanied by an increase in the bank's obligations to the Government of $2,000,000. Liquid position was maintained largely by increasing holdings of Dominion notes by over $2,200,000. Loans on public securities were reduced by over $3,375,000, call loans in Canada by $1,700,000 and current loans outside Canada by over $500,000, so that while total assets were reduced by $4,241,826 a substantial increase in current loans in Canada was enabled.

Funds in the hands of the bank in the shape of deposits were considerably reduced, there being a decline of over $17,000,000 in demand deposits as the result of the withdrawal by the Dominion Government of the proceeds of the last Victory Loan. At the same time there was, however, a very gratifying increase of over $10,500,000 in interest bearing deposits. Following are comparative figures from the balance sheet:

Immediately Available Liquid Assets

	1920.	1919.	Change.
Specie ..$	2,092,477	$ 1,980,843+	$ 111,634
Dom. notes	18,052,783	15,843,726+	2,209,057
Note cr. dep. ...	309,575	304,500+	5,075
Notes, bk.	1,104,306	1,170,383	66,077
Call loans, abroad ..	5,139,899	4,698,984+	440,915
Bank bal.	1,005	3,858—	2,853
Do., ab'd	1,881,012	1,988,043—	107,031
Gov. secs.	5,106,158	8,790,080—	3,683,922
Cheques	7,530,034	6,816,287+	713,747
Gold res.	4,000,000	4,100,000—	100,000
Other Assets			
Pub. sec. $	9,956,981	$ 13,334,526—	$3,377,545
Other sec.	1,810,680	1,996,115—	185,435
Call loans	7,646,420	9,352,534—	1,706,114
Current	66,216,946	65,396,249+	820,697
Elsewhere	523,396	1,050,489—	527,093
Over debts	80,914	74,567+	6,347
Lets. of cr	1,823,472	1,168,405+	655,067
Real estate	5,409	5,469—	60
Mortgages	19,327	22,681—	3,354
Premises.	5,631,454	5,407,180+	224,274
Other Assets	330,845	......+	330,845
Tot. assets	$139,263,093	$143,504,919—	$4,241,821
Liabilities to Public			
Circulation $	9,159,886	$ 9,525,809—	365,923
Dem. depos.	20,051,817	37,088,400—	17,036,583
Savings	84,889,440	74,325,657+	10,563,783
Due banks	806,717	878,911—	72,194
Due else.	914,117	973,956—	59,839
Acceptances	1,823,472	1,168,405+	655,067
Bills pay.	67,104	197,533—	130,429
Due Dom. Govt. ..	7,000,000	5,000,000+	2,000,000
Other liab.	640,401	606,451+	33,950
	$125,352,954	$129,765,122—	$4,412,168
To Shareholders			
Capital ..$	6,000,000	$ 6,000,000	$........
Reserve	7,000,000	7,000,000	....
Dividends	240,921	244,089—	3,168
Balance	669,218	495,709+	173,509
	$ 13,910,139	$ 13,739,798+	$ 170,341
Total liab	$139,263,093	$143,504,919—	$4,241,826

Cash assets according to the bank's division are $34,661,000, an increase of $2,758,000 during the year and are 27.65 per cent. of the bank's liabilities to the public.

Following are features of the bank's earnings record for the past eight years:

Year.	Profits.	Div.	% on Cap.	†% on Invest.
*1920......	$1,308,511	12+1	21.8	9.7
*1919......	1,229,703	12+1	20.4	9.1
*1918......	1,146,498	12	19.1	8.6
*1917......	1,065,062	12	17.7	7.9
*1916......	947,615	12	15.8	7.1
*1915......	848,741	12	14.1	6.4
1914......	925,364	12+2	15.5	6.9
1913......	950,402	12+2	17.6	7.4

†On shareholders' funds—capital, reserve and balance brought forward at the beginning of year.
*War tax on circulation not deducted.

BRITISH IMPORTERS OF BACON CLAIM DISCRIMINATION

London Firm Alleges Food Ministry Tries to Force Stale Stock

85 P.C. POOR QUALITY

Canadian Packers Doubt Value of Decontrol—Terms Not Yet Known—Hog Raising Industry Has Suffered

Several articles which have appeared from time to time in THE FINANCIAL POST, covering the troubled course of Canada's export bacon market, have tended to point in one direction, viz.: The fault is not so much with the market nor the product, as with the "controlling" which the British Ministry of Food deems necessary, in the interests of the consumer. The principle of protection, a controlled maximum price, was deemed a national necessity growing out of the war, but the need has long since passed. The demand is for quality and quantity, neither of which the British public is getting, largely because of the action of the Ministry of Food. Canadian packers contend that had they been permitted to compete freely with Continental and American packers, they would, on a basis of quality, have maintained their English business. Had this export market been upheld, the breeding of hogs in Canada would not have fallen off and to-day, when the demand for bacon is keen, there would undoubtedly have been sufficient Canadian product to fill it.

Importer Protests

The Canadian Trade Commissioner in London has recently given some attention to this matter, and has published the following letter from A. J. Mills Co., a London importing house:

> "We are forced to sell one hundred boxes of poor quality American bacon for the Government before being given the privilege of selling fifteen boxes of good Canadian bacon. The American bacon that we are getting now is miserable stuff, and the people are tired of it. The Canadian bacon is far superior, but we are allowed by the Food Ministry to handle it to the extent of only 15 per cent., and as a result your trade is being handicapped."

Replying to this letter the British Ministry of Food on December 15th writes that the statement of A. J. Mills & Co, was "entirely misleading" All available Canadian bacon they claim, was distributed evenly throughout the country, and the whole of the bacon from whatever source was issued to the trade If only 15 per cent of Canadian bacon was available for any week, then each agent would receive 15 per cent of his total allotment in the form of Canadian bacon.

British Ministry Blundered

Questioned on this reply a representative of the Canadian packers explained that the 15 per cent. available supply of Canadian bacon was certainly a fact and consequently only that amount could be available for equitable distribution. The trouble and complaint, both from the standpoint of the Canadian packer and the English buyer is, he says, that the controlled maximum price for bacon on the English market holds Canadian bacon to a point which is intended in the designs of the Ministry of Food to "let them out" on their unprofitable and unfortunate bacon speculations of the early months of 1920. The question seems to be, will the British buyer stand for it? Will he pay a high price for "miserably poor quality?" or will he demand a searching investigation of the purposes of the British Ministry of Food.

The reply of the Ministry to the Mills Co. statement is, the packers submit, even more misleading than the Ministry allege the Mills Co. complaint to be; the plain facts of the matter are that the British Ministry of Food made a colossal blunder when they plunged into the market as buyers; now they are faced with covering up their losses or facing the political music of an exposure.

This controversy is all above and in addition to the question of prices. These are as yet an undivided quantity, as also are the "terms" upon which the Ministry will permit the Canadian product a fair competition. While these matters are being gone into with true British circumlocution, Canadian hog raisers and packers are maintaining themselves out of reserves and bidding profits farewell.

DAIRYING IN WEST

Alberta Only Province to Increase Production

This year Alberta is the only western province to show an increase in dairy production. Full and accurate returns are not in as the end of the Alberta year comes later, but a careful estimate by C. Marker, dairy commissioner, who is not likely to exaggerate, shows an increase in dairy products value of nearly three million dollars.

Manitoba and Saskatchewan have both decreased somewhat. The rather marked decrease in cheese making in Manitoba does not indicate a decreased interest in dairy farming in the more densely settled districts of the province, but only that with the increased demand for milk in the city of Winnipeg, dairy farmers are finding an increased market for their raw porduct.

The average price of creamery butter for the three prairie provinces has been very close, showing the value of graded cream and a uniform grading of butter; the average for Manitoba was 55c; for Saskatchewan, 54.2; and for Alberta, 56½. Manitoba's price was 1c per lb. higher for 1920; Alberta's, 4c; and Saskatchewan's, 1½ higher. Manitoba had less to advance having enjoyed a higher price for her products in 1919, averaging 2¾ over Alberta and 3c over Saskatchewan.

The Continental Life Insurance Company

1920 Its Greatest and Best Year

See Record Figures Below

The financial statement for 1920 shows large increases in all departments except that of mortality, which again showed a decrease compared with 1919, being 45.03 per cent. of the expected.

	1919	1920	Increase
Policies Issued and Revived	4,068,930	4,897,164	828,234
Total Income	664,769	731,473	66,707
Total Insurance in Force ..	15,027,412	17,553,656	2,526,244
Total Amount Gained	2,240,628	2,530,955	290,327
Death Claims Accrued	88,470	76,558	*11,912
Total Assets	2,727,457	3,043,149	315,692

*Decrease.

Policies Issued and Revived show an increase of over 20 per cent., and a similar gain in the total amount of Insurance in Force, is the largest made in any year of the company's history. The Total Assets, Total Income, and Surplus also show large increases compared with a year ago.

For copies of the complete detailed Annual Statement and Report apply to the Head Office of the Company, Toronto, or to the nearest Agent of the Company.

Interesting Features in January 15th MACLEAN'S

There are sixteen big feature articles, serials, short fiction and regular departments in January 15th MACLEAN'S.

"The Aim of the Liberal Party in Canada To-day"

By Hon. W. L. Mackenzie King

"The Human Speedometer."—By Charles Christopher Jenkins.
"My Flirtation Ends."—By Margot Asquith.
"The Big Time Man."—By C. W. Stephens.
"Our Lost Immigrants."—By Agnes C. Laut.
"Scarlet and Gold."—By Col. Geo. Ham.
"The City of Peril."—By Arthur Stringer.
"Jane Ann's Rival, Mabel."—By Archie P. McKishnie.
"By Act of God."—By Beatrice Heron-Maxwell.

Review of Reviews

"The Dreamer of the Kremlin."—By H. G. Wells.
"Chaplin Prey to 'Blues'."—By Benjamin de Casseres.
"Which Labor Policy?"—By William B. Dickson.
"How Militarist Is Japan?"—Quarterly Review.
"Trapping an Elephant Herd."—By Charles Mayer.
"Why Not Tax 'Bromides'?"—By Henry Arthur Jones.
"Trotzky, a Human Dynamo."—By Francis McCullagh.

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